

Charlestown Mall

Box 32

Document 1

MEMO TO: Brian A. Gaetano
FROM: Larry A. Boyer
SUBJECT: Financial Review of Operations 1982
DATE: February 2, 1983

The purpose of this report is to present a summary of operations for the various operating entities of the Gaetano Companies for 1982.

REAL ESTATE OPERATIONS:

Gaetano Associates:

A summary of operating income and cash flow from operations is summarized as follows:

	(in thousands)		
	1982 <u>Actual</u>	1982 <u>Budget</u>	1981 <u>Actual</u>
Rental Revenue	\$ 1,715	\$ 1,665	\$ 1,573
Operating Costs & Admin. Exp.	1,152	1,040	1,162
Net Operating Income	<u>\$ 563</u>	<u>\$ 625</u>	<u>\$ 411</u>
Less: Debt Service			
Interest	\$ 96	\$ 104	\$ 177
Principal	305	310	249
Total:	<u>\$ 401</u>	<u>\$ 414</u>	<u>\$ 426</u>
Cash Flow from Operations	\$ 162	\$ 211	\$ (15)
Less: Cash Flow used for			
Additions to Property & Equip.	\$ 244		
Payments against Past Due			
Accounts Payable	71		
Payments to Affiliates	69		
Negative Cash Flow Items	<u>\$ 384</u>		
Plus: Cash Provided from			
Additional borrowing - O.N.B.	<u>\$ 125</u>		
Net Negative Cash Flow	<u>\$ (97)</u>		

Actual rental revenue exceeded budget by \$50,000 primarily due to higher than anticipated billings for mall operating cost escalation and other repairs billed to tenants during 1982 (\$70,000) offset by less than budgeted percentage rent revenue (\$20,000).

Mall operating costs and administrative expenses were over-budget by \$112,000. A summary of expenses with significant budget variances are

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highlighted and explained as follows:

	(in thousands)		
	1982 Actual	1982 Budget	Variance
<u>Expenses:</u>			
Real Estate Taxes (1)	\$ 98	\$ 78	\$ 20
Mall Admin. Salaries (2)	28	15	13
Labor Contracted to Tenants (3)	30	20	10
Office Supplies (4)	23	6	17
Travel and Entertainment (5)	25	10	15
Other Net Budget Variances			<u>37</u>
Net Amount Over-Budget			<u>\$112</u>

(1) Real Estate taxes were over budget due to the 36% increase in assessed valuation of property in Herkimer County as well as tax rate increases in 1982.

(2) Increase was due to addition of full-time mall manager (Les Bimson) during 1982.

(3) Labor contracted to tenants represents time and material for repairs to tenant fixtures and performance of services for tenants. The \$30,000 of expenses incurred was recovered by billings to tenants in the amount of \$45,000.

(4) Office supplies exceeded budget primarily due to the addition of staff personnel for the Gaetano Companies who were located at Charlestown in 1982, i.e.; budget was prepared based upon a Charlestown staff of four (4) people whereas there were approximately 17 office people using these supplies during 1982.

(5) Travel and entertainment expense was over budget primarily as a result of additional staffing at Charlestown during 1982 (as noted above) in addition to certain expenses related to seminars and conventions not anticipated in the budget.

The year 1982 was the first year that Charlestown generated a positive cash flow from operations after debt service. The positive cash flow from operations of \$162,000 and the \$125,000 of additional borrowings were primarily used for additions to property and equipment. Ideally, this \$244,000 of building improvements would normally be funded strictly by debt financing rather than from operating cash flow. As we have discussed in the past, we need to formulate a capital expenditure master plan for Charlestown and seek the necessary financing to fund these major improvements so that we can avoid making these expenditures out of operating cash flow.

Considerable progress was made in bringing our accounts payable at Charlestown into a fully current status during 1982.

In summary, I think our financial goals were achieved at Charlestown in 1982 and our financial position was strengthened as a result of this.

Cornel Associates:

The following is a summary of financial operations for the 258 Genesee Street Project for 1982.

	(in thousands)			
	258			
	Total	Bldg.	Maxwell	301 Court
Rental Income	\$204	\$190	\$ 7	\$ 7
Operating Expenses	<u>221</u>	<u>191</u>	<u>23</u>	<u>7</u>
Net Operating Income:	<u><u>\$ (17)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ (16)</u></u>	<u><u>\$ 0</u></u>

Considering the occupancy rates in the 258 Building (42% occupied) and the Maxwell Building during 1982 and the fact that we incurred utilities costs of \$87,000 (\$2.50 per square foot), one can see that by making our planned building improvements and by instituting a planned aggressive marketing campaign this project can be easily turned around and be made profitable.

A further analysis of Cornel cash flow for 1982 is summarized as follows:

	(in thousands)
Net Operating Income (as above)	\$ (17)
Less: Debt Service	
Interest Expense	55
Principal	8
Total:	<u>\$ 63</u>
Cash Flow After Debt Service	<u><u>\$ (80)</u></u>

The \$80,000 of negative cash was funded by a \$50,000 ERP loan from the City of Utica as well as advances from affiliated Gaetano Companies of approximately \$30,000.

CG Properties:

The results of operations for the calendar year 1982 is analyzed below:

	(in thousands)			
	Rental Properties	Contract Income/ Expenses	Other Income/ Expenses	Total
Rental Income	\$632	-	-	\$632
Contract Income/Other Income	<u>-</u>	<u>\$46</u>	<u>\$ 2</u>	<u>48</u>
Total Income:	\$632	\$46	\$ 2	\$680
Operating Expenses	<u>403</u>	<u>32</u>	<u>79</u>	<u>514</u>
Net Operating Income	\$229	\$14	<u><u>(\$77)</u></u>	<u><u>\$166</u></u>
Less: Debt Service:				
Interest Expense	181	-	2	183
Principal Payments	93	-	-	93
Total:	<u><u>\$274</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 2</u></u>	<u><u>\$276</u></u>

	(in thousands)			
	Rental Properties	Contract Income/ Expenses	Other Income/ Expenses	Total
Net After Debt Service	<u>\$ (45)</u>	<u>\$14</u>	<u>\$ (79)</u>	<u>\$ (110)</u>

From a continuing cash flow standpoint, one problem confronts CG Properties. This problem relates to the lack of profitability and cash flow from certain properties (primarily the small properties) which we held during 1982. The following analysis indicates the effect of these "problem" properties.

	Calendar Year 1982 (in thousands)				
	CAG Bldg.	Paul Bldg.	Hotel Snyder	All Other Buildings	Total
Rental Income	\$230	\$147	\$109	\$146	\$632
Operating Expenses	<u>146</u>	<u>87</u>	<u>57</u>	<u>113</u>	<u>403</u>
Net Operating Income:	<u>\$ 84</u>	<u>\$ 60</u>	<u>\$ 52</u>	<u>\$ 33</u>	<u>\$229</u>
Less: Debt Service					
Interest Expense	\$ 61	\$ 43	\$ 35	\$ 42	\$181
Principal Payments	<u>15</u>	<u>16</u>	<u>9</u>	<u>53</u>	<u>93</u>
Total:	<u>\$ 76</u>	<u>\$ 59</u>	<u>\$ 44</u>	<u>\$ 97</u>	<u>\$274</u>
Net After Debt Service:	<u>\$ 8</u>	<u>\$ 1</u>	<u>\$ 8</u>	<u>\$ (64)</u>	<u>\$ (45)</u>

The above analysis demonstrates the need to purge our real estate portfolio of the remaining negative cash flow properties. A complete analysis of each property has been done for 1982, but has not been made a part of this summary report.

RESTAURANT OPERATIONS:

A condensed statement of operations for calendar year 1982 is presented as follows:

	Amount (in thousands)	% Sales*
Sales: Food	\$612	78.7%
Bar	<u>166</u>	21.3
Total Sales:	<u>\$778</u>	<u>100.0%</u>
Cost of Sales:		
Food	\$207	33.9%*
Bar	44	26.7 *
Hourly Labor	143	18.4
Salaries	74	9.5
Taxes & Benefits	36	4.8
Maintenance & Other	<u>3</u>	0.4
Total Cost of Sales:	<u>\$507</u>	<u>65.3%</u>
Gross Margin	\$271	34.7
General & Administrative Expenses	<u>161</u>	<u>20.6</u>
Net from Operations:	\$110	14.1%
Interest Expense	12	1.5
Depreciation Expense	<u>26</u>	<u>3.4</u>
Profit Before Taxes:	<u>\$ 72</u>	<u>9.2%</u>

*All figures are % of total sales except for food and bar Cost of Sales, which are a percentage of the respective food and bar sales figures.

The achievement of profitability in the restaurant operations in 1982 enabled the re-payment of \$92,500 in borrowings from the Bank of Utica.

CONSTRUCTION OPERATIONS:

Charles A. Gaetano Construction Corp.:

A summary of operations along with other selected financial data for 1982 are presented below.

	Amounts (in thousands)	% of Revenues
Contract Revenue	\$4,250	100.0%
Contract Costs	<u>3,711</u>	<u>87.3</u>
Contract Gross Profit:	<u>\$ 539</u>	<u>12.7</u>
General and Administrative Expenses	<u>663</u>	<u>15.6</u>
Net from Operations:	<u>\$ (124)</u>	<u>(2.9)</u>

MEMO DID. 2/2/83 to BAG

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	<u>Amount</u>	<u>% of Revenues</u>
Other Income or Expenses:		
Net Interest Income	\$ 24	0.6%
Other Expenses	(120)	(2.8)
Other Misc. Income	1	-
Subtotal:	<u>\$ (95)</u>	<u>(2.2)</u>
Loss Before Tax Benefit	\$ (219)	(5.1)
Tax Credit	<u>(78)</u>	<u>(1.8)</u>
Loss After Tax Benefit:	<u>\$ (141)</u>	<u>(3.3)</u>

The company incurred a loss from operations primarily as a result of decreased contract revenue (decrease of \$6.3 million from 1981). Utilizing the average contract gross profit for 1982 (12.7%) and current year fixed overhead expenses (\$758,000), the company would have had to generate additional contract revenue of approximately \$1.7 million to reach a break-even point in 1982.

As a result of the loss the company will recover approximately \$78,000 of tax loss refunds which will be reflected as an asset on the balance sheet at December 31, 1982. Due to this tax benefit and the strong financial position of the company at the beginning of the year, the company has maintained a sound financial base for 1983. A summary of key financial statistics is presented as follows:

	(in thousands) <u>December 31</u>	
	<u>1982</u>	<u>1981</u>
Cash and Cash Equivalents	\$ 768	\$ 750
Total Current Assets	\$1,577	\$1,999
Total Current Liabilities	\$ 986	\$1,269
Working Capital	\$ 591	\$ 730
Working Capital Ratio	1.60	1.58
Shareholders' Equity	\$ 615	\$ 756

A summary of major contracts included in the 1982 Contract Revenue total of \$4.2 million has been prepared, but has not been included in this report.

Lakewood Construction Co., Inc.:

The complete financial statements for the nine months ended December 31, 1982 were not available at the time this memo was prepared; however, the preliminary figures indicate a break-even profit situation on contract revenues of approximately \$800,000. I will issue a follow-up report on Lakewood's operations as soon as firm financial data is available.

Summary:

Calendar year 1982 can best be characterized as a year in which our construction operations maintained their strong financial base and our restaurant operation made a strong turnaround. Our real estate operations were mixed, with Gaetano Associates showing good growth potential and profitability, while CG Properties and Cornel Associates lost money.

Looking forward to 1983, I feel the major financial challenges which face the Gaetano Companies and its affiliated real estate entities are as follows:

1. To meet the contract revenue goals established for our Construction Group in the 1983 budget thereby returning our construction operations to profitability in 1983.
2. To endeavor to obtain fast lease-ups for the 258 Genesee Street Building and the Ogdensburg Mall and to continue Charlestown's growth and expansion.
3. To purge our remaining real estate portfolio of negative cash flow properties.

I would be happy to discuss this report further with you at your convenience.

Larry A. Boyer
Chief Financial Officer



FIRLEY, MORAN, FREER & EASSA, P.C.

Certified Public Accountants

499 South Warren Street
Syracuse, New York 13202

315/472-7045

June 19, 1984

Mr. Steve Bonsted
CharlesTown
311 Turner Street
Utica, New York 13501

Dear Steve:

Enclosed are adjustments to be made to substantially clear Gaetano Development Corp. and Gaetano Property Management Co., Inc.

You will also find adjustments to be made to CharlesTown, Lakewood, GAC Construction, Cornel, Ogdensburg, Gaetano Building Systems, and C. G. Properties in order to keep intercompany accounts in balance.

I suggest you and John make all the entries in June on all companies to avoid confusion. Please call me if you have any questions.

Very truly yours,



Peter A. Freer

PAF:jr
Enclosures

533198



GACTANO GROUP Mgmt

1984

AJE's

Date	Prepared by	6/13/84	Work Paper No.
	Reviewed by		

		1	2	3	4
1	① Payroll Taxes Charlestown			DR. 1001561 ✓	CR. 1001561 -0-
2	To credit Charlestown for payroll taxes paid by it on behalf of GPM				Op L
3					
4	② Stock Subscription Receivable - CAG Common Stock	10000 ✓			
5	To record issuance of stock to CAG			10000	-0-
6					
7	③ Charlestown Receivable Due to C'Town C.G. Prop - Rec	383635 ✓		383635	
8	Due to C.G Prop	387280 ✓		387280	
9	To control debits & credits				-0-
10					
11					
12	④ Due to G.D.C. Due to C.G. Properties C'Town - Rec Ogdenburg - Rec Cornel O - Rec	9310056 ✓ 2705123 ✓		4754131 3981783 3479265	
13	To transfer balances to G.D.C.				
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33	Steve - G Group Mgmt cash a/c is sufficient & write a check for \$198.51 made payable to G.D.C. - this will clear remaining interco balance between the 2 companies				
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Prepared By	Initials	Date
Approved By		

GAETANO PROPERTY MGMT.

ACCOUNT BALANCES

12/31/83

LINE NO.	111	121	131	141
1				
2	CASH ON HAND		41951	
3	Receivables:			
4	CHARLESTOWN		6139327	
5	OGDENSBURG		3481783	
6	C.G. Properties		<381280>	
7	Cornel Associates		3479265	
8	Stock Subscription Receivable			
9	TOTAL ASSETS:		12755046	
10				
11	* Payroll Taxes		1001561	
12	OTHER ACCRUED		55700	
13	DUETO G.D.C.		9389907	
14	DUETO C'TOWN		383635	
15	DUETO CG Properties		2405123	
16	Common Stock		387280	
17	TOTAL LIABILITIES		100000	
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LINE NO.	6	7	8
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2	Adj'st'm'ts		
3	DR	CR	
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5	(1) 4754131		
6	(2) 383635		
7	(3) 1001561		
8	(4) 3481783		
9	(5) 387280		
10			-0-
11	(6) 3479265		
12			100000
13	(7) 100000		
14			100000
15	(8) -0-		
16			22100
17	(9) 19851		
18			-0-
19			19851
20			-0-
21			+0-
22			100000
23			100000

* fd by charlestown

GAETANO Development Corp.

1984

ATE's

Date	Prepared By	6/18/84	Work Paper No.
	Reviewed by		

1 2 3 4

JP CP PL

1	① Payroll Taxes Due to Lakewood to credit Lakewood for payment by it of GDC payroll taxes.	505553 ✓ ✓ 905553 -0-
2	② C'Tway - Rec. Odyssey - Rec. Cornel - Rec. Due to Gary Mgmt " " C.G. Prop	#754131 ✓ 3481783 ✓ 3479265 ✓ ✓ 2310056 ✓ 2405123 -0-
3	to record ATE #4 made on GPM ledger	
4	③ Stk Subscription Rec - CAG Common Stk to record stk issued to CAG	100.00 ✓ 100.00 -0-
5	④ Due to C'Tway Due from C'Tway to contra debits & credits	466585 ✓ ✓ 466585 -0-
6	⑤ Due from C'Tway " " G. Bldg Systems " " Odyssey " " Cornel Due to C.A.G. " " Lakewood " " C.G. Prop	✓ 4287546 ✓ 235000 X ✓ 3481783 X ✓ 3479265 X 5768911 /X 3309560 /X 2405123 ✓X
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	Initials	Date
Prepared By		
Approved By		

GAETANO Development Corp
ACCOUNT BALANCES
12/31/83

L I N E N O .	(1)	(2)	(3)	(4)	L I N E N O .
1	CASH ON HAND		108		
2	Petty Cash		200.00		
3	Receivables: - Charleston				
4	GAETANO Properly Mgmt		93299.07		
5	GAETANO Bldg Systems		2350.00		
6	Ogdenburg				
7	Coine				
8	TOTAL ASSETS:		95850.15		
9	Stock Subscription Receivable				
10	Payroll Taxes		9,055.53		
11	DUE TO CAS CONCIP.		58,082.70		
12	DUE TO LAKEWOOD		24040.07		
13	DUE TO Charlestown		4665.85		
14	Due to C.G. Prop.				
15	TOTAL LIABILITIES		95850.15		
16	Common Stock				
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Adj'st'mts		As Adjusted	
DR	CR	DR	CR
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		200.00	
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② 47541.31	⑤ 42815.46		
	⑦ 4645.85		
② 93100.56		19851	
⑤ 2350.00		-0-	
② 34817.83	⑤ 34817.83	-0-	
② 34792.65	⑥ 34792.65	-0-	
③ 100.00		10000	
① 90555.3		-0-	
⑤ 57489.11		39959	
⑤ 33095.60	① 90555.3	-0-	
④ 4665.85		-0-	
⑥ 24051.23	⑦ 24051.23	-0-	
③ 100.00		10000	
		49959	

C'Town

1984

ATE's

Date	Prepared By	10/16/84	Work Paper No.
	Reviewed By		

		1	2	3	4
①	Due to Gaetano Corp Major #1		DR	CR	P&L
2	Due to Gaetano Dev'l Corp			4754131	-0-
3	to record ATE #4 on GPM				
4					
5②	Receivable from G. Bldg System	235000			
6	Due to J.G.D.C.			235000	-0-
7	to record ATE #1 on G.B.S. Inc.				
8					
9③	Receivable from Ogdensburg	3481783			
10	Due to J.G.D.C.			3481783	-0-
11	to record ATE #2 on Ogdensburg				
12					
13④	Receivable from Cornell	3479265			
14	Due to J.G.D.C.			3479265	-0-
15	to record ATE #2 on Cornell				
16					
17⑤	Due from GDC	2405123			
18	Due to C.G. Properties			2405123	-0-
19	to record ATE #2 on C.G. Properties				
20					
21⑥	Due from GDC	3309560			
22	Due to Lakewood			3309560	-0-
23	to record ATE #1 on Lakewood				
24					
25⑦	Due from GDC	5768911			
26	Due to CAG Construction			5768911	-0-
27	to record ATE #1 on CAG Const.				
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C. A. Gaetano Construction

1984

A.T.E.'s

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2 1 Date from GDC
3 Date from C'Two
4 to forward ATE #5 on GDC

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Lakewood

1984

ATE's

Date	Prepared By	X 6/19/84	Work Paper No.
Reviewed By		X 6/19/84	

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(1) Due from GDC
2 Due from C'Town
3 + record ATE #5 on GDC

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CORNEL ASSOCIATES

1984
AJE'S

Date	Prepared By	6/18/84	Work Paper No.
	Reviewed By		

1 2 3 4

① Due to Gaetano Group Mgmt
 2 Due to GDC
 3 To record AJE #4 - on GRM
 4

JR CR GL
 3479265 3479265 -0-

② Due to GDC
 6 Due to C' Twy
 7 To record AJE #5 - on GDC
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3479265 3479265 -0-

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Gastano of Ogdensburg

1984

ATE's

Date 6/18/84	Prepared By <i>[Signature]</i>	Work Paper No.
	Reviewed By	

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① Due to Gastano Corp Mgmt 3481783
 2 Due to Gastano Seal Corp
 3 to record ATE #4 - as GPM 3481783
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② Due to GDC 3481783
 7 Due to C'Town
 8 to record ATE #5 on GDC 3481783
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Gaelann Bldg Systems

1984

ATE's

Date	Prepared By	X 6/18/94	Work Paper No.
	Reviewed By		

1 2 3 4

1 (1) Payable to GDC
 2 Payable to C' Town
 3 To record ATE #5 - via GDC

DR CR Bal
 235000 235000 -

Note: GBS charged
 AIP from GDC to
 (- Town.)

C. G. Properties

1984

ATE's

Date	Prepared By	Work Paper No.
	X 6/18/84	

1 2 3 4

① Due from Gustavo Corp May 1st 8P CR Pd L
 Due from Gustavo Dev'l Corp 2405123 -0-
 to record ATE #4 on GPM

② Due from GDC
 Due from C' Town 2405123 -0-
 to record ATE #5 - on GDC

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	Initials	Date
Prepared By		
Approved By		

GAETANO Development CORP
ACCOUNT BALANCES
12/31/83

L I N E N O .		(1)	(2)	(3)	(4)	L I N E N O .
1	CASH ON HAND				158	1
2	Petty Cash				20000	2
3	<u>Receivables:</u>					3
4	GAETANO Property Mgmt				93299.07	4
5	Gaetano Bldg Systems				2350.00	5
6						6
7	<u>TOTAL ASSETS:</u>				<u>95850.15</u>	7
8						8
9	* Payroll Taxes				9055.53	9
10	Due to CAG constR.				58088.70	10
11	Due to Lakewood				24040.07	11
12	Due to Charlestown				<u>4665.85</u>	12
13						13
14	<u>TOTAL LIABILITIES</u>				<u>95850.15</u>	14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29	* P/R Taxes were pd by Lakewood					29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40
41						41
42						42
43						43

	Initials	Date
Prepared By		
Approved By		

GAETANO PROPERTY MGMT.

ACCOUNT BALANCES

12/31/83

LINE NO.	(1)	(2)	(3)	(4)	LINE NO.
1	CASH ON HAND			419.51	1
2	Receivables:				2
3	CHARLESTOWN			61393.27	3
4	OGDENSBURG			34817.83	4
5	CG Properties			<3872.80>	5
6	Cornel Associates			<u>34792.65</u>	6
7	TOTAL ASSETS:				7
8				<u>127550.46</u>	8
9					9
10					10
11	* Payroll Taxes			10015.61	11
12	OTHER ACCRUED			221.00	12
13	DUETO G.D.C.			93299.07	13
14	DUETO C'TOWN			3836.35	14
15	DUETO CG Properties			20178.43	15
16	TOTAL LIABILITIES			<u>127550.46</u>	16
17					17
18					18
19					19
20					20
21	* Pd by Charlestown				21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
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39					39
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41					41
42					42
43					43

Gaelano Property Mgmt Co.

12-31-83

Adjmts

Date
3/9/84

Prepared By
J.

Work
Paper No.

Reviewed By

		A/C #	DR	CR	Profit (Loss)
1	2	3	4	5	6
					Preliminary per T/B (32238)
3	① Due to Gaelano Dev'l Co.	23000 ✓			
4	Due from Gaelano Assn.	16000 ✓	9462407 ✓		- 0 -
7	② Other accrued expenses	21100 ✓	466318 ✓		
8	Income tax	69900 ✓		466318	466318
10					
11	③ Mgmt fee - C'town	30000 ✓	10962000 ✓		
12	Odenburg C.G Prop.	30100 ✓	2037200 ✓		
13	Coral	30200 ✓	2961200 ✓		37130
14	Mgmt bill'd - Coral	30300 ✓	1849500 ✓		
15	C.G. Prop	31500 ✓	1787265 ✓		
16	Mgmt admin salaries	40000 ✓			1269246
17	Mgmt wages	40100 ✓			3518268
18	Janitorial "	40200 ✓			1822115
19	Payroll taxes	40300 ✓			779382
20	Actg' salaries	50000 ✓			3928484
21	Leasing salaries	50100 ✓			1812325
22	Payroll taxes - FICA	50200 ✓			632184
23	" " FUTA/SUTA	50300 ✓			396236
24	Workers Comp	50400 ✓			154700
25	dbL insur.	50500 ✓			51879
26	Other Employee insur.	50600 ✓			245545
27	Mgmt fees	50900 ✓			9000.00
28	Officer supplies	51100 ✓			28987
29	TAD E	51300 ✓			64218
30	EDP	51400 ✓			83043
31	Due from C'Town	16000 ✓		434080	(434080)
32					- 0 -
33					
34					
35					
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41					
42					
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533199

Bentano Prop Mgmt Co.

12-31-83

Budget Variance

Date	Prepared By	Work Paper No.
	Reviewed By	

1 2 3 4

TOTAL

C'Twd

Odenborg

CG

PROP

CORREL

1	Maint admiral.	12692.46	131113	1746418	651758	311727
2	Maint wages	35182.68	363437	484114	1806630	864087
3	Jetland "	18221.15	188224	250723	935657	947511
4	Payroll taxes	7793.82	80510	107243	400213	191416
5	Adm. salaries	39284.82	405814	540559	2012276	264535
6	Training & admiral.	18123.25	187213	249376	930629	445107
7	Payroll taxes - FICA	6321.84	65305	86989	324626	155264
8	" " FUTA/SUTA	3962.36	40931	53522	203467	97316
9	Workers comp	1547.00	15981	21287	79438	37994
10	OB&B rooms	518.79	5359	7139	26640	18741
11	Other EE rooms	2455.45	25365	33787	126087	60306
12	Mgmt fees)	90000.00	90000.00	-0-	-0-	-0-
13	Office supplies	289.82	2994	3988	14882	7118
14	TEC	642.18	6634	8836	32976	15772
15	EDP	830.43	9042	10989	42441	20571
16		237,866.05	10527920	2034200	7592720	3631765
17		(<u>90,000.00</u>)	(<u>90520</u>)			
18		147,866.05	7527920	1376%	51.35%	24.56%
19			10.33%			
20			✓	✓		✓
21						
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Date: Dec 31 83

THE GAETANO PROPERTY MANAGEMENT CO.

Page: 1

December 31, 1983

Client
J/3/84

Trial Balance Worksheet

Current fiscal period: 12

Acct Code	Dept Code	Account Name	Trial Balance Debit	Credit	Adjustments Debit	Credit	Income Statement Debit	Credit	Balance Sheet Debit	Credit
10100	+	CASH -	419.51						419.51	
10200	+	CASH -	0.00							
10300	+	OTHER INVESTMENTS	0.00							
10400	+	PETTY CASH	0.00							
10900	+	SPECIAL PROJECTS	0.00							
11000	+	ACCOUNTS RECEIVABLE	0.00							
11700	+	RESERVE FOR BAD DEBTS	0.00							
12300	+	EXCHANGES	0.00							
13000	+	PREPAID REAL ESTATE TAXES	0.00							
13100	+	PREPAID INSURANCE	0.00							
13200	+	PREPAID INTEREST	0.00							
13300	+	PREPAID EXPENSES- OTHER	0.00							
14000	+	LAND	0.00							
14300	+	BUILDINGS	0.00							
14400	+	BUILDING IMPROVEMENTS	0.00							
14500	+	EQUIPMENT	0.00							
14600	+	FURNITURE AND FIXTURES	0.00							
14700	+	OFFICE EQUIPMENT	0.00							
14800	+	VEHICLES	0.00							
15000	+	ACCUM. DEPREC.- BUILDINGS	0.00							
15100	+	ACCUM. DEPREC.- BUILD. IMPROV	0.00							
15200	+	ACCUM. DEPREC.- EQUIPMENT	0.00							
15300	+	ACCUM. DEPREC. - FURNITURE	0.00							

419.51

Dec 31 83

THE GAETANO PROPERTY MANAGEMENT CO.

Page: 2

December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
15400	+	ACCUM. DEPREC. - OFFICE EQUIP	0.00							
15500	+	ACCUM. DEPREC. - VEHICLES	0.00							
16000	+	DUE FROM CHARLESTOWN ✓		28,890.00	(①) 94,624.07	② 4,340.80			61,393.27	X
16100	+	DUE FROM OGDENSBURG ✓	34,817.83						34,817.83	X
16200	+	DUE FROM C G PROPERTIES ✓		3,872.80					3,872.80	X
16300	+	DUE FROM UCA	0.00							
16400	+	DUE FROM CORNELL ASSOC	34,792.65						34,792.65	X
16500	+	DUE FROM GAETANO DEVELOPMENT	0.00							
16600	+	DUE FROM OTHER AFFILIATES	0.00							
20000	+	TRADE ACCOUNTS PAYABLE	0.00							
20100	+	N.Y.S. SALES TAX PAYABLE	0.00							
20200	+	F.I.C.A. WITHHOLDING PAYABLE		1,234.16					1234.16	
20300	+	F.I.T. WITHHOLDING PAYABLE		2,228.90					2228.90	
20400	+	N.Y.S. WITHHOLDING PAYABLE		705.69					705.69	
20401	+	DISABILITY PAYABLE		1,197.02					1197.02	
20500	+	F.I.C.A. TAX-EMPLOYER PAYABLE		234.99					234.99	
20600	+	F.U.T.A. PAYABLE		1,345.57					1345.57	
20700	+	S.U.T.A. PAYABLE		692.08					692.08	
20800	+	ACCRUED WAGES		2,377.20					2377.20	
20900	+	ACCRUED PROFESSIONAL EXPENSES	0.00							
21000	+	ACCRUED ADVERTISING EXPENSES	0.00							
21100	+	OTHER ACCRUED EXPENSES		4,884.18	(①) 4663.18				221.00	
22000	+	MORTGAGE PAYABLE	0.00							
22300	+	NOTE PAYABLE	0.00							
22500	+	NOTE PAYABLE - C.A.G.	0.00							
131,003.75 14,109.41										

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THE GAETANO PROPERTY MANAGEMENT CO.

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December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance Debit	Trial Balance Credit	Adjustments Debit	Adjustments Credit	Income Statement Debit	Income Statement Credit	Balance Sheet Debit	Balance Sheet Credit
23000	+	DUE TO GAETANO DEVELOP. CO.	1,325.00	+	+	① 94,624.71	+	+	+	93,299.07
23100	+	DUE TO CHARLESTOWN		3,836.35	+	+	+	+	+	3,836.35
23200	+	DUE TO OGDENSBURG	0.00							
23300	+	DUE TO C.G. PROPERTIES		20,178.43	+	+	+	+	+	20,178.43
23400	+	DUE TO CORNEL ASSOC.	0.00							
23500	+	DUE TO UCA	0.00							
23600	+	DUE TO OTHER AFFILIATES	0.00							
25000	+	CAPITAL STOCK	0.00							
26000	+	RETAINED EARNINGS	0.00							
27000	+	PROFIT (LOSS)	0.00							117,313.85
30000	+	MGM'T FEE - GAETANO ASSOC		109,620.00	② 109,620	+	+	+	+	
30100	+	MGM'T FEE - OGDENSBURG		20,342.00	20,342	+	+	+	+	
30200	+	MGM'T FEE - C.G. PROPERTIES		29,612.00	29,612	+	+	+	+	
30300	+	MGM'T FEE - CORNEL ASSO.		18,495.00	18,495	+	+	+	+	
30400	+	MGM'T. FEES - OTHER	0.00							
30500	+	MGM'T. FEES - OTHER	0.00							
31500	+	MAINT. BILLED - CORNEL ASSOC.		17,822.65	③ 17,822.65	+	+	+	+	
31600	+	MAINT. BILLED - C.G.PROP.		46,315.20	46,315.20	+	+	+	+	
40000	+	MAINT. ADMIN. SALARIES	12,692.46			④ 12,692.46				
40100	+	MAINT. WAGES	35,182.68			35,182.68				
40200	+	JANITORIAL WAGES	18,221.15			18,221.15				
40300	+	PAYROLL TAXES & FRINGES	⑤ 7,793.82			7,793.82				
40400	+	EXPENDABLE TOOLS	0.00							
40500	+	UNALLOCATED SUPPLIES	0.00							
40600	+	OVERTIME PREMIUM	0.00							

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THE GAETANO PROPERTY MANAGEMENT CO.

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December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
40700	+	TRAVEL EXPENSE	+ 0.00		+ +	+ +	+ +	+ +	+ +	
40800	+	MISC. EXPENSES	+ 0.00		+ +	+ +	+ +	+ +	+ +	
50000	+	ACCOUNTING SALARIES	+ 39,284.82		+ +	+ 39,284.82	+ +	+ +	+ +	
50100	+	LEASING & ADMIN. SALARIES	+ 18,123.25		+ +	+ 18,123.25	+ +	+ +	+ +	
50101	+	PAYROLL TAXES & FRINGES	+ 0.00		+ +	+ +	+ +	+ +	+ +	
50200	+	PAYROLL TAXES - F.I.C.A.	+ 6,321.84		+ +	+ 6,321.84	+ +	+ +	+ +	
50300	+	PAYROLL TAXES - FUTA/SUTA	+ 3,962.36		+ +	+ 3,962.36	+ +	+ +	+ +	
50400	+	WORKMANS COMP INSURANCE	+ 1,547.00		+ +	+ 1,547.00	+ +	+ +	+ +	
50500	+	DISABILITY INSURANCE	+ 518.79		+ +	+ 518.79	+ +	+ +	+ +	
50600	+	OTHER EMPLOYEE INSURANCE	+ 2,455.45		+ +	+ 2,455.45	+ +	+ +	+ +	
50700	+	FRINGE BENEFITS ALLOCATED	+ 0.00		+ +	+ +	+ +	+ +	+ +	
50900	+	MANAGEMENT FEES - Dated	+ 90,000.00		+ +	+ 90,000.00	+ +	+ +	+ +	
51000	+	TELEPHONE EXPENSE	+ 0.00		+ +	+ +	+ +	+ +	+ +	
51100	+	OFFICE SUPPLIES	+ 289.82		+ +	+ 289.82	+ +	+ +	+ +	
51200	+	RENTAL EXPENSE	+ 0.00		+ +	+ +	+ +	+ +	+ +	
51300	+	TRAVEL & ENTERTAINMENT	+ 642.18		+ +	+ 642.18	+ +	+ +	+ +	
51400	+	DATA PROCESSING EXPENSE	+ 830.43		+ +	+ 830.43	+ +	+ +	+ +	
51500	+	GENERAL INSURANCE	+ 0.00		+ +	+ +	+ +	+ +	+ +	
51600	+	MISC EXPENSE	+ 0.00		+ +	+ +	+ +	+ +	+ +	
51700	+	DUES & SUBSCRIPTIONS	+ 0.00		+ +	+ +	+ +	+ +	+ +	
51800	+	EDUCATIONAL EXPENSE	+ 0.00		+ +	+ +	+ +	+ +	+ +	
51900	+	LEGAL FEES	+ 0.00		+ +	+ +	+ +	+ +	+ +	
52000	+	ACCOUNTING	+ 0.00		+ +	+ +	+ +	+ +	+ +	
52100	+	OTHER PROFESSIONAL FEES	+ 0.00		+ +	+ +	+ +	+ +	+ +	
52200	+	DEPRECIATION EXPENSE	+ 0.00		+ +	+ +	+ +	+ +	+ +	

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Dec 31 83

THE GAETANO PROPERTY MANAGEMENT CO.

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December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
69900		INCOME TAX	+ 4,663.18	+ 4,663.18	+ 0	- 0	+ 0	- 0	+ 0	- 0
			313,884.22	313,884.22						

Total of Income and Expense Accounts Listed 322.38

99 accounts listed.

Bal Sheet:

Pg 1	419.51	- 0 -
✓	131,003.75	14,109.41
3	- 0 -	<u>117,313.85</u>
	131,423.26	131,423.26
	<u>131,423.26</u>	
		- 0 -

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GAETANO

PROPERTY

MANAGEMENT :

- 1) WTB 12/31/83
- 2) ADJUSTMENTS

MEMO TO: All Gaetano Employees
FROM: John Kinney
SUBJECT: Long Distance Calls - Northland Telephone System
DATE: April 26, 1985

The Northland Telephone Long Distance Dialing Service has been installed to our phone systems as indicated below. It is estimated that approximately 25-35% of present long distance phone costs can be saved. Depending on your company, please refer to the following list to determine which telephone lines are equipped with their cost saving feature:

Gaetano Construction	- 733-4612, 733-4613, 733-4651, 733-4652
Gaetano Companies	- 732-1086, 732-1098, 732-1099
CharlesTown	- 724-8176
Lakewood	- 724-8135

The dialing procedure is the same as before. After dialing 1 + long distance number, you will hear a distinctive BEEP, followed by a period of silence (please hold, do not hang up) followed by a ring or busy signal, whatever the case may be. If you should receive a busy signal immediately after dialing the last digit, hang up and redial.

You are urged to make long distance calls on the above lines only. Depending on your system, if all long distance lines are in use, wait until a line is free to place you call, if possible. Long distance calls on the remaining lines are subject to higher toll costs from ATT and New York Telephone.

JK:llm

533200

From: Charles A. Gaetano
Subject: Financial Responsibilities and Lines of Reporting
Date: May 31, 1985

Effective immediately, I am assigning final accounting responsibility and lines of reporting as follows:

<u>Chief Accountant</u>	<u>Entity</u>	<u>Chief Executive Officer of Entity</u>
Melinda Blanchfield	Lakewood	C. N. Gaetano
	Cornel Associates	B. A. Gaetano
	Gaetano Building Systems	W. C. Gaetano
	PGK	W. C. Gaetano
Steve Bonsted	Ogdensburg	B. A. Gaetano
	Gaetano Associates	B. A. Gaetano
	Academy at Southgate: Project	C. A. Gaetano
	Association	C. A. Gaetano
	WBC Associates	W. C. Gaetano
Pauline Fleshman	WBC Restaurant	C. A. Gaetano
	C. G. Properties	C. A. Gaetano
John Kinney	C.A.G. Construction	W. C. Gaetano
	Gencable	C. A. Gaetano

Anna will continue to work solely for and report to John Kinney. Robin's responsibilities and assistance will be dedicated primarily toward C.G. Properties, Ogdensburg, Gaetano Associates, and Cornel in a manner that best utilizes her availability to each entity.

Given the present accounting staff resources and decentralization of responsibility, I am aware that each chief accountant is being asked to spend a considerable portion of their time on clerical and mundane tasks. This cannot be avoided at the present time. Nevertheless, these tasks have to be performed. If there are efficiencies that you can recommend, I expect you to offer them at our monthly joint meetings. These will be thoroughly discussed and acted upon.

Distribution:

Brian A. Gaetano
Charles N. Gaetano
William C. Gaetano
Peter A. Freer

Melinda Blanchfield
Steve Bonsted
Pauline Fleshman
John Kinney

From: Charles A. Gaetano
Subject: Monthly Closings and Financial Review
Date: June 4, 1985

This memo establishes corporate policy for month-end closing and review of accounting records and financials.

Effective with month ending May 31, 1985, we will follow the schedule below:

Business Day of the Following Month	Item
8th	Completion of printed financial statement package
10th	Detail review of the financial package with respective chief executive officer
12th	Individual meetings of respective chief accountants and executive officers with Peter Freer and myself. Times to be announced.

Accruals may be used to record significant amounts of goods or services received during the month for which no vendor invoices have been obtained.

Regarding the monthly meeting with Peter Freer, I expect all chief accountants and executive officers to be fully prepared to present and discuss the highlights of their entity's financial performance and the reasons for significant variance from budget.

ANY DEVIATION FROM COMPLYING WITH THIS SCHEDULE FOR ANY GIVEN MONTH SHALL BE BROUGHT, IN ADVANCE, TO MY PERSONAL ATTENTION.

Distribution:

Brian Gaetano
Charles N. Gaetano
William C. Gaetano
Peter A. Freer

Melinda Blanchfield
Steve Bonsted
Pauline Fleshman ✓
John Kinney

533202



Interoffice Memo

January 31, 1983

To: ~~Brian A. Partano~~
Brian A. Partano

From: Tony Beyer

Subject: ~~Financial Review of Operations - 1982~~

The purpose of this report is to present a summary of ~~financial~~ operations for the various operating entities of the Partano Companies for 1982.

Real Estate Operations:

Partano Associates:

A summary of operating income and cash flow from operations is summarized as follows.

(in thousands)

	1982 Actual	1982 Budget	1981 Actual
Rental Revenue	\$ 1,715	\$ 1,665	\$ 1,573
Operating Costs and Admin. Expenses	1,152	1,040	1,162
Net Operating Income	<u>\$ 563</u>	<u>\$ 625</u>	<u>\$ 411</u>
Less Debt Service:			
Interest	\$ 96	\$ 104	\$ 177
Principal	<u>3055</u>	<u>310</u>	<u>249</u>
Total	<u>\$ 401</u>	<u>\$ 414</u>	<u>\$ 426</u>
Cash Flow from Operations	\$ 162	211	\$ (157)

~~Net Cash Flow~~
Less Cash Flow Used for:

Additions to Property and equip.	<u>\$ 244</u>
Payments against Accounts Payable	<u>\$ 71</u>
Payments to Affiliates	<u>\$ 69</u>
Negative Cash Flow Items	<u>\$ 384</u>

Plus Cash Provided From:

Additional borrowing - o.n.b. 125,000

Net Negative Cash Flow \$ (97)

page 21

~~Actual~~ Rental Revenue exceeded budget by \$50,000 primarily due to higher than anticipated billings for mall operating cost escalations and ~~other~~ ^{billings} billed to tenants during 1982 (\$70,000), offset by ~~budget~~ ^{less than budget} percentage rent revenue (\$20,000).

highlighted and explained

~~Grossed out revenues were offset by~~

Mall operating costs and administrative expenses were over-budget by \$112,000. A summary of major expenses with significant budget variances are as follows.

(in thousands)

EXPENSE	1982 ACTUAL	1982 BUDGET	VARIANCE
Real Estate Taxes (1)	\$ 98	\$ 78	\$ 20
Mall Admin. Salaries (2)	28	15	13
Labor Contracted to Tenants (3)	30	20	10
Office Supplies (4)	23	6	17
Travel and Entertainment (5)	25	10	15
Other Net budget Variances			37
Net Amount Over-budget			<u>\$ 112</u>

(1) Real estate taxes were over budget due to the 36% ~~increase~~ ⁱⁿ assessed valuation of property in Herkimer County, as well as tax rate increases in 1982.

page 3

- (2) Increase was due to addition of full-time mail manager (Les Branson) during 1982.
- (3) Labor contracted to tenants represents time and material for repairs to tenant fixtures and performance of services for tenants. The \$30,000 of expense incurred was recovered by billings to tenants in the amount of \$45,000.
- (4) Office supplies exceeded budget primarily due to the addition of staff personnel for the Baetano Companies who were located at Charles Town in 1982 (ie; budget was prepared based upon a Charles Town staff of 4 people whereas there were approximately 17 office people using these supplies during 1982).
- (5) Travel and entertainment expense was over budget primarily as a result of additional staffing at Charles Town during 1982 (as noted in above) ~~is well~~
~~in addition to certain expenses related to seminars~~
~~and conventions not anticipated in the budget.~~
- The year 1982 ~~was~~ the first year that Charles Town generated a positive cash flow from operations after debt service. The positive cash flow from operations of \$162,000 and the \$125,000 of additional borrowings was primarily used ~~for~~ for additions to property and equipment. Ideally this \$244,000 of building improvements would normally be funded ~~by~~ ~~mostly~~ by debt financing rather than from

page 4

operating cash flow. As we have discussed in the past, we need to formulate ~~an~~ a capital expenditure plan for Charles Town and seek the necessary financing package to fund these major improvements so that we can avoid making these expenditures out of operating cash flow.

Considerable progress ~~has~~ ^{was} been made in bringing our accounts payable at Charles Town into a fully current status ^{during 1982.} Payments to Niagara Mohawk are being made on a timely basis.

In summary I think our goals were achieved at Charles Town in 1982 and our financial position was strengthened. ~~by this~~ as a result of this.

Cordel Associates:

The following is a summary of financial operations for the 25% leased part project for 1982. (in thousands)

	Total	Bldg.	Maxwell	301 Court
Rental Income	\$ 204	\$ 19.0	\$ 7	\$ 7
Operating Expenses	221	191	23	7
Net Operating Income	\$ (17)	\$ (1)	\$ 163	\$ -0-

(42% occupied)

page 5

Considering the occupancy rates in the 258 buildings and Maxwell building during 1982 and the fact that we incurred ~~not~~ utilities costs of \$87,000 (\$12.50 per square foot), one can see that by making our planned building improvements and by instituting ~~a~~ planned aggressive marketing campaign this project can be ~~be~~ easily turned around and ^{be} made profitable.

A further analysis of cash flow is summarized as follows.

Comd
for 1982

(in thousands)

Net Operating Income (as above) £ 17 >

Less: Debt Service

Interest Expense

55

Principal

8

Total

63

Cash Flow After Debt Service £ 80 >

The £ 80,000 of negative cash was funded by a £ 50,000 E&I loan from the city of Utica as well as advances from affiliated ^{affiliates} companies of approximately £ 30,000.

page 6

C.G. Properties (formerly Hartman Realty):

3/13

C.G. Properties (formerly Gaetano Realty Corp.):

The results of operations for Calendar year 1982
~~has been~~ is analyzed below:

(in thousands)

	Rental Properties	Contract Income/Expense	Other Income/Expense	Total
Rental Income	\$ 632	—	—	632
Contract Income/Other Income	—	\$ 46	\$ 2	48
Total Income	<u>\$ 632</u>	<u>46</u>	<u>2</u>	<u>\$ 680</u>
Operating Expenses	403	32	79	514
Net Operating Income	<u>\$ 229</u>	<u>\$ 14</u>	<u>\$ (77)</u>	<u>\$ 166</u>
Less Debt Service:				
Interest Expense	181	—	—	183
Principal Pay'ts.	93	—	—	93
Total	<u>\$ 274</u>	<u>—</u>	<u>\$ 2</u>	<u>\$ 276</u>
Net After Debt Service	<u>\$ (45)</u>	<u>\$ 14</u>	<u>\$ (79)</u>	<u>\$ 110</u>

containing

From a cash flow standpoint, one problem confronts C.G. Properties. The ~~first~~ ^{first} problem relates to the lack of profitability and cash flow from certain properties. (primarily ~~the~~ small properties) which we held during 1982. ~~These can be shown with the following analysis indicates the effect of these "problem" properties.~~

page 2 Prop's.
C.b. cont'd.

Calendar Year 1982
(in thousands)

	Ch 111	Fair Hotel	All Other	Total
⑥ Bldg.	③ Bldg.	④ Major	⑤ Buildings	⑦ Total
Rental Income	\$ 230	\$ 147	\$ 109	\$ 486
Operating Expenses	138	82	55	275
Net Operating Income	\$ 92	\$ 65	\$ 54	\$ 181
Less Debt Service:				
Interest Expense	56	39	37	132
Principal Payts.	15	17	9	41
Total	\$ 71	\$ 56	\$ 41	\$ 168
Net After Debt Service	\$ 21	\$ 9	\$ 13	\$ 45

The above analysis ~~indicates~~ demonstrates the need to purge our real estate portfolio of the remaining negative cash flow properties. A complete analysis of each property has been done for 1982 but has not been made a part of this ~~summary~~ report.

page 8

Restaurant Operations:

A condensed ~~income~~ statement of operations for calendar year 1982 is presented as follows.

	Amount (in thousands)	% Sales *
Sales: Food	\$ 612	78.7%
Bar	116	21.3
Total Sales	<u>\$ 718</u>	<u>100.0%</u>
Cost of Sales: Food	\$ 207	33.9 *
Bar	44	26.7 *
Family labor	143	18.4
Salaries	74	9.5
Taxes & benefits	36	4.8
Maintenance & Other	3	0.4
Total Cost of Sales	<u>\$ 507</u>	<u>65.3%</u>
Gross Margin	\$ 211	34.7
General & Admin. Expenses	161	20.6
Net from Operations	<u>\$ 110</u>	<u>14.1%</u>
Interest Expense	12	1.5
Depreciation Expense	16	3.4
Profit Before Taxes	<u>\$ 72</u>	<u>9.2%</u>

* All figures are % of total sales except for Food and Bar Cost of Sales which are a percentage of the ~~total~~ respective Food and Bar Sales figures.

page 9

The achievement of profitability in the restaurant operations in 1982 enabled the pre-payment of \$92,500 in borrowings from the Bank of Utica, ~~thereby~~

Construction ~~Supp~~ Operations:

Charles Q. Gaitano Construction Corp. ~~for year 1982~~

A summary of operations along with other selected financial data for 1982 are presented below.

	AMOUNT (in thousands)	% of Revenue
Contract Revenue	\$ 4,250	100.0%
Contract Costs	3,711	87.3
Contract Gross Profit	539	12.7
Gen. and Admin. Expenses	663	15.6
Net from Operations	(124)	(2.9)
Other Income or Expenses:		
Net Interest Income	24	0.6
Other Expense	(120)	(2.8)
Other Misc. Income	1	-
Subtotal	(95)	(2.2)
Loss before Tax benefit	(219)	(5.1)
Tax Credit	(78)	(1.8)
Loss After Tax Benefit	<u>(141)</u>	<u>(3.3)</u>

The Company incurred a loss from operations primarily as a result of decreased contract revenue (decrease of \$6.3 million from 1981). Utilizing the average

page 10

Contract gross profit for 1982 (2.7%) and current year fixed overhead expenses (\$758,000), ~~so~~ the company would have had to generate additional contract revenue of approximately \$1.7 million to reach a break-even point in 1983.

~~Despite the loss~~

As a result of the loss the company will recover approximately \$78,000 of tax loss ~~reduced~~ which will be reflected ~~as a credit~~ on the balance sheet at December 31, 1982. Due to this tax benefit the company's financial and the strong financial position of the company at the beginning of the year, ~~the~~ the company has maintained a sound financial base for 1983. A summary of key financial statistics is presented as follows:

(in thousands)
December 31

	1982	1981
Cash and Cash Equivalents	\$ 168	\$ 750
Total Current Assets	\$ 1,511	\$ 1,999
Total Current Liabilities	\$ 986	\$ 1,269
Working Capital	\$ 591	\$ 730
Working Capital Ratio	1.60	1.58
Shareholders' Equity	\$ 615	\$ 756

page 11

A summary of major contracts included in the 1982 Contract Revenue total of \$4.2 million has been prepared, but has not been included in this report.

Lakewood Construction Co., Inc.:

Lakewood Constructor:

The complete financial statements for the nine months ended December 31, 1982 ~~have not yet been completed~~ were not available at the time this memo was prepared; however, the ~~tentative~~ preliminary figures indicate a break-even profit situation on contract revenues of approximately \$800,000. I will issue a follow-up report on Lakewood's operations as soon as firm financial data is available.

*

*

*

*

SUMMARY:

Calendar year 1982 can best be characterized as a year in which our construction operations ~~held~~ maintained their strong financial base and our restaurant operations made a strong turnaround. Our real estate operations were mixed, with Yatans Associates showing good growth potential and profitability, ~~but~~ while J.C.G. Properties and Cornel Associates lost money.

I feel looking forward to 1983, the major

financial challenges which face the Factors Companies and its affiliated real estate entities are as follows.

1. To meet the contract revenue goals established for our ~~Contract~~ Construction Group in the 1983 budget thereby returning our Construction Operations to profitability in 1983.
2. To endeavor to obtain fast lease-ups for the 258 Genesee Street building and the Ogdenburg Mall and to continue Charlestown's growth and expansion.
3. To purge our remaining real estate portfolio of negative cash flow properties.

I would be happy to discuss this report further with you at your convenience.

J. Boyer

*CITY OF TROY
CAPITAL EXPENSES*

TO: Larry Boyer
FROM: Chris Roller
SUBJECT: Capital Expenses for 1983
DATE: February 16, 1983

The following page is the proposed capital expense budget for 1983. The first sixteen items are high priority, the next four items are low priority and the bottom two are already completed.

Please be advised that this budget does NOT include any renovation for new tenants.

CAR:llm

cc: Brian Gaetano
Les Bimson
Chuck Gaetano

533204

PROPOSED CAPITAL EXPENSES - 1983

New Power Station (move to N. Mohawk)		200,000
New North Entrance		8,000
Heat Pumps	Part 99,000	All 750,000
Computer Service for HVAC		
Point Up Buildings		45,000
Insurance Improvements (buildings 12,18,11)		2,500
Board Up Windows	Part 5,000	All 16,000
Office Sidewalk		7,200
Guard Doors-2nd floor (hardware only)		750
Electrical Box - Rolanes		2,000
Mens Handicapped Bathroom		2,500
Coating - Roofs 4 and 10		10,000
Side Outside Wall from 5s		
Pond Wall		
Fire Doors		6,000
Guard Shack Roof		3,000
	Part (392,950)	All (1,052,950)
Receiving Doors		3,000
Security Alarms		8,000
		(11,000)
Rolane Courtyard		18,000
Christmas Decorations		5,000
		(23,000)
Kidsport Doors (already completed)		1,500
Clothes Hound Doors (already completed)		1,500
TOTALS	Part (429,950)	All (1,089,950)

GAETANO ASSOCIATES

**FINANCIAL STATEMENTS
NOVEMBER 30, 1982**

533205



GAETANO ASSOCIATES
BALANCE SHEET
November 30, 1982

ASSETS

Cash	9,064
Rents and Accounts Receivable	206,033
Prepaid Expenses	18,155
	<hr/>
TOTAL CURRENT ASSETS	233,252
 Rental Property and Equipment	 1,653,181
Less: Accumulated Depreciation	(381,586)
	<hr/>
NET FIXED ASSETS	1,271,595
 Deferred Mortgage Closing Costs	 5,462
	<hr/>
TOTAL ASSETS	1,510,309
	<hr/>

LIABILITIES AND EQUITY

Accounts Payable	148,475
Unearned Income	140,453
Accrued Expenses	102,007
Due to Affiliates	200
Due to Partner	15,858
	<hr/>
TOTAL CURRENT LIABILITIES	406,993
 Mortgages and Loans Payable	 723,463
 Partners' Equity	 62,756
Current Income (Loss)	317,087
Rounding Difference	10
	<hr/>
TOTAL PARTNERS' EQUITY	379,853
	<hr/>
TOTAL LIABILITIES AND EQUITY	1,510,309
	<hr/>

GAETANO ASSOCIATES

INCOME STATEMENT

November 30, 1982

	CUR. MON. ACTUAL	CUR. MON. BUDGET	Y-T-D ACTUAL	Y-T-D BUDGET
LEASE REVENUE:				
Base Rent	103,779	102,885	1,099,024	1,112,616
Billed Utilities	17,091	16,144	179,425	177,584
Billed Taxes	351	240	2,282	1,940
Billed CAM Costs	13,990	9,067	140,117	114,605
Billed Repair/Maint.	2,985	0	41,569	0
Percentage Rents	33,578	28,671	82,579	93,208
Other Income	17,121	1,900	41,422	20,900
 TOTAL LEASE REVENUE	 188,895	 158,907	 1,586,418	 1,520,853
 MALL OPERATING COSTS:	 	 	 	
Heating(gas)	7,453	18,500	86,453	98,500
Electric	24,451	22,500	257,745	259,000
Water	540	2,000	8,478	22,000
Real Estate Taxes	12,026	6,500	84,046	71,500
Travel/Incidental	240	0	3,960	0
Mall Admin. Salaries	3,269	1,080	22,983	13,500
Bldg. Maint. Wages	2,916	4,066	40,829	44,643
Other Wages	1,280	1,147	12,692	12,805
Payroll Fringes	1,668	1,471	19,575	16,181
CAM - Wages	3,449	4,285	34,228	39,737
CAM - Operating Supplies	1,147	837	25,656	18,493
CAM - Security	3,105	2,598	27,094	28,578
CAM - Contracted Out	4,014	3,880	43,836	44,265
CAM - Equip. Leased/Auto	645	463	8,511	5,093
CAM - Other	0	0	43	0
Wharf - Wages	0	0	434	0
Vacation/Holiday Pay	179	195	2,292	1,575
Building Maintenance:				
Material	2,439	2,239	31,031	30,429
Contracted Labor	2,323	1,709	26,129	18,727
Expendable Tools	0	0	0	0
Freight	38	0	141	0
Miscellaneous Expense	0	0	195	0
 TOTAL MALL OPERATING COSTS	 71,182	 73,470	 736,351	 725,026

GAETANO ASSOCIATES

INCOME STATEMENT

November 30, 1982

	CUR. MON. ACTUAL	CUR. MON. BUDGET	Y-T-D ACTUAL	Y-T-D BUDGET
ADMINISTRATIVE EXPENSES:				
Partners' Draw-BAG	2,400	2,400	31,200	28,200
Partners' Draw-CG	2,000	2,000	23,564	23,500
Partners' Draw-MJG	0	0	1,900	0
Management Charges	0	0	0	0
Admin. Salaries	8,547	5,600	66,097	62,100
P/R Taxes-FICA	1,735	1,100	15,457	12,680
P/R Taxes-FUTA/SUTA	423	240	7,459	2,640
Workmen's Comp. INS.	250	250	4,839	2,750
Disability Ins.	101	18	736	210
General Ins.	1,653	1,585	17,799	17,435
Other Employee Ins.	1,479	800	9,977	8,800
Allocated Fringes	(1,668)	(1,471)	(19,575)	(16,181)
Advertising	482	2,000	34,131	22,000
Rental Expense	0	0	0	0
Dues and Subscriptions	0	200	232	2,200
Educational Expense	0	100	875	1,100
Legal	743	500	7,792	5,500
Accounting	500	500	13,767	5,500
Other Prof. Fees (\$3300 CACARS / \$2600 BSX)	6,074	0	22,045	0
Office Supplies	2,436	500	19,837	5,500
Data Processing	171	100	1,921	1,100
Postage	885	200	6,029	2,200
Telephone	1,885	1,000	15,823	11,000
Travel and Entertainment	986	850	19,899	9,210
Contributions	285	0	915	0
Misc. Expense	0	0	2,362	0
Provision for Bad Debts	2,229	0	2,229	0
Interest Expense-ONB	6,813	5,832	86,096	76,482
Interest Expense-MORECO	855	905	15,866	15,455
Interest Expense-Other	372	443	6,415	5,904
Depreciation	10,443	10,300	114,873	113,300
Amort.-Mortgage Costs	220	220	2,420	2,420
Contract Income	0	0	0	0
Other Income	0	0	0	0
TOTAL ADMINISTRATIVE EXP	52,299	36,172	532,980	421,005
Net income (Loss)	65,414	49,265	317,087	374,822



45-506
Made in USA

Statement of SOURCES AND USES OF CASH
NOVEMBER 30, 1982

	1	2	3	4	5	6
1	Profit AS reported 11/30/82			\$ 317097.00		
2						
3	ADD: EXPENSES NOT REQUIRING					
4	CURRENT OUTLAY OF CASH:					
5	DEPRECIATION			\$ 114873.00		
6	AMORTIZATION COST			\$ 2430.00		
7						
8	Total CASH PROVIDED FOR OPERATIONS:			\$ 434390.00		
9						
10	OTHER SOURCES OF CASH:					
11	DECREASES IN ACCOUNTS RECEIVABLE			\$ 2835.00		
12						
13	Total CASH PROVIDED			\$ 437225.00		
14						
15	CASH USED FOR:					
16	ACQUISITION OF PROPERTY AND EQUIPMENT			\$ 238661.00		
17	PAYMENT OF AMOUNTS DUE TO AFFILIATES			\$ 34458.00		
18	DECREASES IN ACCOUNTS PAYABLE + OTHER LIABILITIES			\$ 71395.00		
19	INCREASES IN PREPAID EXPENSES			\$ 16359.00		
20	DECREASE IN LOANS AND MORTGAGES			\$ 163315.00		
21						
22	Total CASH USED			\$ 524188.00		
23						
24						
25	INCREASE (DECREASE) CASH BALANCE			\$ (86963.00)		
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45-506
Made in USA

Statement of Sources AND USES of CASH
November 30, 1982

	1	2	3	4	5	6
				November		NET
		1981		1982		CHANGE
1	CASH	96027.00		9064.00		(86963.00)
2	Arcts Rec.	6841.500		206033.00		137618.00
3	Prepaid Exp.	1796.00		18155.00		16359.00
4	TOTAL Current Assets	166238.00		233252.00		67014.00
5	Property + Equip (NET)	1147807.00		1271595.00		123788.00
6	Deferred Mfg COST	7881.00		5469.00		(2419.00)
7	TOTAL ASSETS	1321926.00		1510309.00		188383.00
8	Liabilities					
9	Accounts PAYABLE + other liabilities	321877.00		390935.00		69058.00
10	LOANS PAYABLE	886777.00		723463.00		(163314.00)
11	Due to AFFILIATES	34658.00		800.00		(34458.00)
12	Due to PARTNER	15858.00		15858.00		0 -
13	TOTAL LiABILITIES	1,159,170.00		1,130,456.00		(128714.00)
14	Partners Equity	62756.00		579853.00		317097.00
15	TOTAL LiABILITIES + Equity	1321926.00		1510309.00		188383.00
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45-506
Made in USA

ACCOUNTS PAYABLE Aging
AS OF November 31, 1982
OPERATIONS

	ACCOUNT	TOTAL	0 - 30 DAYS	30 - 60 DAYS	60 - 90 DAYS	over 90 DAYS	Credit
1	ADAMS TRAVEL	250.00	250.00				
2	ADP	212.25	117.05	44.66			
3	ALLING + CORY	1708.40	645.26	1063.14			
4	A+R SECURITY	7357.35	2519.79	5435.16	8402.40		
5	ARMOR ELEVATOR	11901.10	11901.10				
6							
7	BECKER, WILLIAM	1679.97	615.37		185.60	1279.00	
8	BOARD OF WATER	6441.50	539.77	588.84	529.84	4783.05	
9	Bond, Schoenick, King	2620.00	2620.00				
10	BRODOCK PRESS	173.68	173.68				
11	Business SERV.	480.47	480.47				
12	Chamber of Comm	135.00	135.00				
13	C.G. Properties	258.85	258.85				
14	Charlie G's	534.90	71.41	463.49			
15	Christen, John	1390.00		1390.00			
16	Continental AI	1000.00				1000.00	
17							
18	DENTON REFACT.	1426.3	1426.3				
19	DRAWING BOARD	135.89	135.89				
20							
21	EVANS, GARBER, PAGE	2000.00				2000.00	
22							
23	GENERAL ELEVATOR	1000.00				1000.00	
24	GORDON HEATING	64.35	64.35				
25	GUERRIERO, Fast Food	73.85	73.85				
26	GUERRIERO, Roland	45.76	45.76				
27							
28	HIGHSWITL Co.	39.23	39.23				
29	HUMMELS	1034.24	67.61	753.59	213.01		
30							
31	IBM	888.41	888.41				
32							
33	J.P.J ELECTRONICS	3165	3165				
34							
35	LAKWOOD CONST	49945.93		10998.48	38947.45		
36	LEE ELECTRIC	154.92		154.92			
37	LIBERTY MUTUAL	250.00	250.00				
38							
39	M+L ELECTRIC	2343	2343				
40	MARSHALL R.D.	2178	2178				



45-506
Made in USA

ACCOUNTS PAYABLE AGING
AS OF NOVEMBER 30, 1982
OPERATIONS

	Account	Total	0-30 DAYS	30-60 DAYS	60-90 DAYS	OVER 90 DAYS	CREDIT
1	MATHER, EVANS, DIEHL	11287	11287				
2	MIERS SAFE + LOCK	14440	14440				
3	MIDSTATE ELEVATOR	66448	66448				
4	MOORE, L. A.	4748	4748				
5	MILLER WELDING	1476	1476				
6	MOHAWK VALLEY SANITA	62400	62400				
7							
8	NEW YORK TELEPHONE	183460	183460				
9	NIAGARA MOHAWK	3506150	3415124				91026
10							
11	ONEIDA CO. BOILER	87099	77629		9470		
12							
13	PANICCI'S BOILER	16880	16880				
14	PRENTICE-HALL	24613	24613				
15	POWER LINE CONSTR	1000000		1000000			
16							
17	RENE MATTHEW CORP	7532	5064	2468			
18	ROBERT'S HARDWARE	14734	14734				
19	ROCKS TIRE	83794		83794			
20							
21	SYRACUSE NEWS	19870	19870				
22	SPRINGER + SCHMALTZ	844	844				
23	SMITH DEADERICK	20876	20876				
24	SOFCO INC	1310	1310				
25							
26	UTICA PLUMBING	6087	6087				
27	UTICA VALLEY ELECT	422843	1410915	281928			
28	UTICA MICROFILM	14053					16053
29							
30	WESTSIDE RFG.	8364	1113	5558	1693		
31	WEISER M.R.	126700					126700
32							
33		14847545	6265892	3112146	4229523	12399.84	
34							
35	CONTROL:						
36	BEGINNING BAL.	18194192					
37	PURCHASES	6240892					
38	CASH DISBURSEMENT	9587539					
39	BALANCE 11/30/82	14847545					
40							

CHARLESTOWN MARKETING FUND

FINANCIAL STATEMENTS
NOVEMBER 30, 1982

CHARLESTOWN MARKETING FUND
BALANCE SHEET
NOVEMBER 30, 1982

ASSETS

Cash	\$ 5,441.96
Receivable (to) from Charlestown	<u>(4,145.98)</u>

TOTAL: \$ 1,295.98

LIABILITIES AND EQUITY

Accounts Payable	\$ 30,767.84
Advances from Charlestown	- 0 -
Marketing Fund-Surplus - (Deficit)	<u>(10,255.15)</u>
Current Income (Loss)	<u>(19,216.71)</u>

TOTAL LIABILITY AND EQUITY: \$ 1,295.98

CHARLESTOWN MARKETING FUND
INCOME STATEMENT
NOVEMBER 30, 1982

	<u>CURRENT:</u>	<u>YEAR TO DATE:</u>
Assessments from Tenants:	\$ 21,143.35	\$ 202,552.00

OPERATING EXPENSES:

Media Purchases - Utica	\$ 6,915.47	\$ 27,124.77
Media Purchases - Syracuse	\$ 9,703.92	\$ 32,538.46
Media Purchases - Rochester	\$ 2,372.06	\$ 21,380.29
Media Purchases - Albany	\$ 2,012.80	\$ 29,404.42
Promotional Dues		\$ 6,681.54
Supplies	\$ 68.34	\$ 17,625.06
Exhibit Space	\$ 140.00	\$ 1,220.00
Travel and Entertainment	\$ 1,199.68	\$ 6,430.23
Billboard Advertising	\$ 1,640.00	\$ 18,203.00
Wages and Fringes Costs	\$ 2,558.48	\$ 31,058.92
Tourist Information Costs		\$ 868.00
Misc. Programs	\$ 615.27	\$ 24,396.38
Hired Entertainment		\$ 4,837.64
TOTAL OPERATING EXPENSES:	<u>\$ 27,226.02</u>	<u>\$ 221,768.71</u>

PROFIT (LOSS):	<u>\$ (6,082.67)</u>	<u>\$ (19,216.71)</u>
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45-506
Made in USA

Accounts Payable Aging

MARKETING

AS OF NOVEMBER 30, 1982

	ACCOUNT	TOTAL	0-30 DAYS	30-60 DAYS	60-90 DAYS	Over 90 DAYS	Credit
1	ADAMS TRAVEL	87300	87300				
2	BEACON POINT	145063			145063		
3	BRESCIA SIGN	1583	1583				
4	BRODOK PRESS	237120			237120		
5	+ Capital News	97340	97340				
6	Charlie G's	31684			31684		
7	GRAND WORKSHOP	3165	3165				
8	GANNETT POCHEST	180596	180596				
9	GENERAL SIGN	298060	149000	149000			
10	LUVK ADVERT	178931			178931		
11	METZER PRINT	32125	8387	23738			
12	NEW HARTFORD REC	15000	15000				
13	OBSERVER DISPAT	455371	455371				
14	PENNY SAVER	11000	11000				
15	Syracuse News	287821	287821				
16	Tracy Adams	3388	3388				
17	UTICA TRANSIT	3000	3000				
18	WHAM	56610	56610				
19	WHEN	48960	48960				
20	WIBX	23274	23274				
21	WIBQ	30512	30512				
22	WGY	104040	104040				
23	+ WSYR	55080	55080				
24	WTLB	51390	51390				
25	WTVH 5	396625	396625				
26	WUTR TV 20	120000	120000				
27	WIXT	181900	181900				
28		3076789	8311248	165536			
29	Control						
30	BEGIN BAL 11/31	4004170					
31	PURCHASES	2342448					
32	CASH Disburse	3269831					
33	BALANCE 11/30/82	3076781					



	1	2	3	4	5	6
1	Leathersoft - Park City accounts			3527		
2	Palm Beach - past due CRM			5413		
3	Van Hoesen - past due CRM			2463		
4	past due &			11000		
5	write-offs			2900		
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11	City of Agawam			2042		
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GAETANO ASSOCIATES

INCOME STATEMENT

APRIL, 1982

	MONTH OF APRIL		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
LEASE REVENUE:				
Base Rent	\$ 96,364.48	\$100,406.00	\$390,457.36	\$399,698.00
Billed Utilities	24,226.05 ✓	16,144.00 ✓	77,351.90	64,576.00
Billed Taxes	278.00	95.00	278.00	292.00
Billed CAM Costs	10,082.08 ✓	20,234.00 ✓	32,759.33	44,624.00
Billed Repair/ Maintenance	2,977.92		11,612.22	
Percentage Rents	761.33	4,063.00	3,528.32	6,232.00
Other Income	1,352.66	1,900.00	22,181.78	7,600.00
Total Lease Revenue:	\$136,042.52	\$142,842.00	\$538,168.91	\$523,022.00
MALL OPERATING COSTS:				
Heating (Gas)	\$ 11,451.04	\$ 6,000.00	\$ 74,749.32	\$ 66,000.00
Electric	22,861.51	23,000.00	88,452.05	88,000.00
Water	(4,359.66) ✓	2,000.00	6,011.25	8,000.00
Real Estate Taxes	7,511.31	6,500.00	27,509.31	26,000.00
Travel/Incidental	280.00		1,533.60	
Mall Administrative Salaries	1,200.00	1,500.00	4,800.00	4,980.00
Bldg. Maintenance Wages	3,480.43	4,622.00	14,348.41	14,701.00
Other Wages	748.63	1,507.00	1,950.95	4,016.00
P/R Fringes	1,728.84	1,471.00	6,481.54	5,884.00
CAM - Wages	2,995.22	3,581.00	10,291.47	13,651.00
CAM - Operating Supplies	2,144.83	2,679.00	5,338.21	4,784.00
CAM - Security	2,435.16	2,598.00	8,408.12	10,392.00
CAM - Contracted Out	3,173.40	3,921.00	11,821.85	14,283.00
CAM - Equipment/ Leased Auto	1,276.67 ✓	463.00	4,377.65	1,852.00
CAM - Other	42.64		42.64	
Vacation/Holiday Pay	324.00 ✓	320.00	324.00	515.00
Bldg. Maintenance: Material	2,285.83	2,239.00	11,654.18	8,956.00
Contract. Labor	1,726.51	1,829.00	4,316.92	5,344.00
Expendable Tools			43.77	
Freight	43.77		195.40	
Miscellaneous Expense				
Total Mall Operating Costs:	\$ 61,350.13	\$ 64,230.00	\$282,650.64	\$277,358.00

533206



INCOME STATEMENT

	MONTH OF APRIL		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
ADMINISTRATIVE EXPENSES:				
Partners Draw - BAG	\$ 5,400.00	\$ 3,000.00	\$ 13,200.00	\$ 10,200.00
Partners Draw - CG	2,000.00	2,500.00	8,500.00	8,500.00
Partners Draw - MJG	1,500.00		1,500.00	
Partners Draw				
Partners Draw				
Management Charges				
Administrative				
Salaries	5,125.37	6,000.00	18,528.29	20,100.00
P/R Taxes - FICA	1,177.91	1,100.00	4,080.14	4,480.00
P/R Taxes - FUTA/ NYS Unemployment	879.02	240.00	3,044.91	960.00
Workman's Comp.				
Insurance	250.00	250.00	2,648.00	1,000.00
Disability Ins.	50.00	18.00	184.36	76.00
Other Employee Ins.	684.30	800.00	2,736.93	3,200.00
Fringe Benefits				
Allocated	(1,728.84)	(1,471.00)	(6,481.54)	(5,884.00)
Advertising		2,000.00	662.10	8,000.00
General Ins.	1,653.00	1,585.00	6,612.00	6,340.00
Rental Expense				
Dues & Subscriptions	80.00	200.00	232.00	800.00
Educational Expense		100.00	530.00	400.00
Legal	556.90	500.00	3,380.13	2,000.00
Accounting	500.00	500.00	2,000.00	2,000.00
Other Professional fees	2,876.25 ✓		4,877.68	
Office Supplies	2,458.63 ✓	500.00	6,981.01	2,000.00
Data Processing	533.58	100.00	595.58	400.00
Postage	474.66	200.00	2,194.97	800.00
Telephone	1,511.18	1,000.00	5,545.18	4,000.00
Travel & Entertainment	4,446.44 ✓	830.00	7,489.09 ✓	3,320.00
Contributions				
Misc. Expense	1.20		1,557.70	
Provision for Bad Debts				
Interest Expense - ONB	7,896.86	7,401.00	32,179.63	30,952.00
Interest Expense- MORECO	1,660.10	1,605.00	7,132.57	7,020.00
Interest Expense- Other	371.78	465.00	3,224.48	2,732.00
Depreciation	10,443.00	10,300.00	41,772.00	41,200.00
Amort.-Mortgage Costs	220.00	220.00	880.00	880.00
Contract Income				
Other Income				
Total Administrative and General:	\$51,021.34	\$39,943.00	\$175,787.21	\$155,476.00
PROFIT (LOSS) - CURRENT:	<u>\$23,671.05</u>	<u>\$38,669.00</u>	<u>\$ 79,731.06</u>	<u>\$ 90,188.00</u>

CHARLESTOWN DEVELOPMENT
RENT ROLL - PHASE I

May 1, 1982

TENANT	SQ. FT.	MONTHLY RENT	ANNUAL RENT
Adidas	4,068	\$ 2,627.25	\$ 31,527.00
Alling & Cory	1,728	1,872.00	22,464.00
American Thread	2,160	1,523.00	18,276.00
G.H. Bass & Co.	3,888	2,600.00	31,200.00
Bates	3,984	2,573.00	30,876.00
Blue Bell	6,210	2,740.70	32,888.40
Brand Name Fashions	5,352	2,650.04	31,800.48
Camel	2,592	1,890.00	22,680.00
Campus	2,596	1,984.75	23,817.00
Cape Craftsmen	4,320	2,793.03	33,516.36
Carters	11,000	3,575.46	42,905.22
Children's Outlet	3,024	1,827.00	21,924.00
Clubhouse Tavern	2,484	1,586.30	19,035.60
Country Mill	5,434	2,264.16	27,169.92
Edward Joy Company	2,592	2,322.00	27,864.00
Gentlemen's Wear-House	7,848	4,329.20	51,950.40
Gold Mine	1,000	731.67	8,780.04
Jack Winter	5,600	3,142.40	37,708.80
J.A. Parker	864	738.00	8,856.00
Jewelry Factory	1,728	1,116.00	13,392.00
Kidstop	2,592	1,782.40	21,388.80
Kidsport USA	10,025	4,594.80	55,137.60
Leatherloft	2,592	1,231.68	14,780.16
Leslie Fay	11,340	5,396.25	64,755.00
Mele	1,000	450.00	5,400.00
Miniatures & Masterpieces	844	439.59	5,275.08
Misty Harbor	1,728	1,296.00	15,552.00
Morning Line	432	375.00	4,500.00
Munsingwear	4,320	1,710.00	20,520.00
Neat Treat	1,000	1,527.00	18,324.00
OTB	5,000	2,125.00	25,500.00
Palm Beach	11,000	5,910.28	70,923.36
Prestige Fragrances & Cosmetics	878	1,518.16	18,218.00
Redwood Forest	1,296	702.00	8,424.00
Revere	3,648	2,660.00	31,920.00
Rolane	20,000	9,916.84	119,002.08
Ship 'n Shore	4,752	1,980.00	23,760.00
Shoe Rack	9,072	6,993.00	83,916.00
Shoe Factory (Quoddy)	3,325	1,385.42	16,625.04
Sure Fit	4,320	2,348.14	28,177.68
Utica Cutlery	1,298	783.00	9,396.00
Utica Duxbak	1,728	1,008.00	12,096.00
Van Heusen	2,898	845.25	10,143.00
Warnaco	10,314	5,507.88	66,094.56
Winona	3,888	1,539.63	18,475.56
Wolverine	3,500	1,933.57	23,202.84
World Bazaar	4,392	3,323.66	39,883.92
Cafe Square	2,566	5,927.15	71,125.80

Subtotal: 208,220 \$120,095.66 \$1,441,147.70

533207

CHARLESTOWN DEVELOPMENT
RENT ROLL - PHASE I

May 1, 1982

TENANT	SQ. FT.	MONTHLY RENT	ANNUAL RENT
<u>OTHER INCOME:</u>			
Environmental Tech.			
Linen Systems			
Utica Radiator			
Electromark			
Total Other Income:		<u>\$ 7,835.00</u>	<u>\$ 94,020.00</u>
<u>GRAND TOTAL:</u>		<u>\$127,930.66</u>	<u>\$1,535,167.70</u>

ACCOUNTS PAYABLE AGING

MARKETING

APRIL 30, 1982

<u>ACCOUNT</u>	<u>TOTAL</u>	<u>0-30 DAYS</u>	<u>30-60 DAYS</u>	<u>60-90 DAYS</u>	<u>OVER 90 DAYS</u>	<u>CREDIT</u>
Abe's Audio	\$ 20.00	\$	\$ 20.00			
Amer. Bus Assoc.	245.00	245.00				
Brodock Press	2,782.00	2,782.00				
C - Misc.	269.63	232.00	37.63			
Capital News	2,189.60	2,189.60				
Day & Night	330.00	330.00				
General Sign Co.	1,300.00	1,300.00				
Iuyk Advert.	880.43	880.43				
Partners Comp.	70.72	70.72				
Syracuse News	1,601.60	1,601.60				
State NY-Dept. Comm.	20.00	20.00				
Society for Genesee Lakes	250.00	250.00				
Tracy Adams	11.76	11.76				
Utica Floral	40.00	40.00				
Utica Transit Auth.	35.00	35.00				
WHEC TV 10	2,040.00	2,040.00				
WUTR TV 20	100.00	100.00				
WTWVH 5	2,462.50	2,462.50				
WROW	810.90	810.90				
WHEN	571.20	571.20				
WHAM	693.60	693.60				
WVOR FM	703.80	703.80				
WXXT	255.00	255.00				
WNYT	104.86	104.86				
WIBQ 99	240.00	240.00				
WIBX	295.00	295.00				
WNDR	480.00	480.00				
WRGB	3,440.40	3,440.40				
WILB	297.58	297.58				
	\$22,540.58	\$22,482.95	\$ 57.63			

533208



ACCOUNTS PAYABLE AGING

OPERATIONS

MAY 7, 1982

<u>ACCOUNT</u>	<u>TOTAL</u>	<u>0-30 DAYS</u>	<u>30-60 DAYS</u>	<u>60-90 DAYS</u>	<u>OVER 90 DAYS</u>	<u>CREDIT</u>
A-Misc.	\$ 43.77	\$ 43.77				
ADP	533.58	533.58				
A & R Security	7,458.36	2,435.16	\$ 2,642.64	\$ 2,380.56		
American Hardwall	16.54	16.54				
Bogners Greenhouse	182.00	182.00				
Board of Water	5,602.20	566.37	724.04	797.38	\$ 3,514.41	
Bond, Schoenick	5,445.73				5,445.73	
Brodock Press	1,231.36	342.16	162.24	442.00	284.96	
Brescia Sign	187.20	187.20				
C-Misc.	6.19		6.19			
Cavo Brothers	700.85				700.85	
Charlie G's	209.51		209.51			
Capital Newspaper	97.65		97.65			
Christen, John P.	127.50	127.50				
Continental Aluminum	1,000.00				1,000.00	
Courtesy Telephone	25.00	25.00				
Central New York Supply	4.43	4.43				
D-Misc.	888.26	748.90	139.36			
Dal Pos, Alfred	2,076.15	1,549.42	526.73			
G-Misc.	19.30		19.30			
General Elevator	1,000.00				1,000.00	
Guerriero, Frank	45.76	45.76				
Guerriero, Frank (F.F.)	72.80	72.80				
Hummels Office	1,308.96	692.86	534.02	82.08		
Jeffrey Hardware	5.53			5.53		
JPJ Electronics	14.35	14.35				
L-Misc.	148.20			148.20		
Lakewood Construction	11,490.96	11,490.96				
Lee Electric	95.81	59.93	35.88			

533209

Accounts Payable Aging

Page 2

<u>ACCOUNT</u>	<u>TOTAL</u>	<u>0-30 DAYS</u>	<u>30-60 DAYS</u>	<u>60-90 DAYS</u>	<u>OVER 90 DAYS</u>	<u>CREDIT</u>
Leviton, Leo	\$ 69.98	\$ 69.98				
Liberty Mutual	2,000.00	2,000.00				
McQuade-Bannigan	46.34		\$ 46.34			
M-Misc	103.20	83.20	20.00			
Marshall, R.D.	2,525.30	2,525.30				
Mid-State Heavy Equip.	9.50			\$ 9.50		
Midway Industrial	34.17		34.17			
Mohawk Valley Sanitation	499.20	249.60	249.60			
Moore, L.A.	46.80	46.80				
New York Telephone	1,567.95	117.89	1,450.06			
Niagara Mohawk	97,131.35	33,619.78	38,623.24	24,888.33		
New England Bus. Serv.	30.83	30.83				
Oneida Bldg. Serv.	116.48	116.48				
P-Misc.	300.16	134.16	166.00			
Peter's Glass	385.56		105.46			
Pitney Bowes	57.72	57.72		92.95	\$ 187.15	
Q-Misc.	181.48	181.48				
R-Misc.	130.34	86.51	43.83			
Rhoades, Russell	42.64	42.64				
Roberts Hardware	67.13	67.13				
Rock's Tire	633.26	272.13	24.00	337.13		
S-Misc.	1,237.29	1,237.29			91.61	
Safeguard	91.61					
Smyth-Despard	143.96	143.96				
Sofco, Inc.	587.07	587.07				
Shepard Paint	1,933.02	1,827.03	105.99			
Taylor Rental	70.72	48.88	21.84			
U-Misc.	263.24	97.79	165.45			



Accounts Payable Aging
Page 3

<u>ACCOUNTS</u>	<u>TOTAL</u>	<u>0-30 DAYS</u>	<u>30-30 DAYS</u>	<u>60-90 DAYS</u>	<u>OVER 90 DAYS</u>	<u>CREDIT</u>
Utica Plumbing	\$ 204.00	\$ 204.00				
Utica Valley Elect.	1,198.49		1,198.49			
Utica Microfilm	160.53					\$ 160.53
Vescara Distrib.	170.59		42.86		\$ 127.73	
W-Misc.	89.00		89.00			
Wausau Insurance	8,616.00		8,616.00			
West Side Refrig.	1,315.63		95.54			
Weiser, M.R. & Co.	6,000.00					
	<u>\$168,098.49</u>	<u>\$73,028.23</u>	<u>\$52,811.02</u>	<u>\$29,965.61</u>	<u>\$12,293.63</u>	

ACCOUNTS RECEIVABLE AGING

MAY 7, 1982

<u>TENANT</u>	<u>0-30 DAYS</u>	<u>30-60 DAYS</u>	<u>60-90 DAYS</u>	<u>OVER 90 DAYS</u>	<u>CREDIT</u>	<u>TOTAL</u>
Adidas	\$ 2,762.85	\$ 233.07	\$	\$ 2,247.00	\$ (699.17)	\$ 5,242.92
Blue Bell	410.46					(288.71)
Brand Name Fashions	3,391.58	477.22				3,868.80
Country Miss	2,898.13	62.40				2,960.53
Carters	962.95	784.69				1,747.64
Charlie G's	154.72					154.72
Camel	2,192.40					2,192.40
Cape Craftsman	658.03					658.03
CharlesTown Merchants		76.50				76.50
Children's Outlet	352.80					352.80
Clothes Hound	488.32					488.32
Clubhouse Tavern	1,748.20	62.10	62.10			1,872.40
Donut Factory				797.67		797.67
Joy Lighting	2,538.00					2,538.00
Electromark	3,784.40	130.00	130.00			4,044.40
Environ. Tech	85.00					85.00
Garden of Eden		1,000.00	64.17			1,064.17
Gaetano Construc.				72.30		72.30
Gaetano Realty				929.42		929.42
Gentlemen's Wear House	1,974.80	1,523.91	1,059.20	5,569.95		10,127.86
Gold Mine	766.35					766.35
Jim Parker Co.	838.80	42.80				881.60
Jack Winter	315.40					315.40
Kids Stop	2,084.80					2,084.80
KidSport	4,594.80				(295.69)	4,299.11
Lakewood Construc.	163.20					163.20
Leather Loft	1,534.08	220.32				1,754.40
Little Red Shoe House	61.72					61.72
Leslie Fay	7,229.25	330.75				7,560.00
Miniatures & Masterpieces	538.06					538.06
Morning Line	390.80					390.80
Munsingwear	2,276.40					2,276.40
Noon Whistle	1,840.52	602.72	166.20			2,609.44
Neat Treat	1,143.67					1,143.67
OTB	223.00					3,265.00
Quoddy		457.19				457.19
Redwood Forest	853.20	394.20	243.00	32.40		1,522.80

ACCOUNTS RECEIVABLE AGING

MAY 7, 1982

TENANT	0-30 DAYS	30-60 DAYS	60-90 DAYS	OVER 90 DAYS	CREDIT	TOTAL
Revere Copper	3,085.60					3,085.60
Rolane	1,229.07					1,229.07
Ship 'n Shore		554.40	4.00			558.40
Sure Fit	3,070.47					3,070.47
Utica Cutlery	934.20					934.20
Utica Duxbak	1,209.60					1,209.60
Van Heusen	62.40					62.40
Warnaco	6,636.51	2,064.77	374.40	3,826.45		9,075.68
Weiners & Waffles	156.72					3,826.45
World Bazaar						156.72
Winona	1,993.23					1,993.23
TOTALS	\$67,634.49	\$ 9,017.04	\$ 2,103.07	\$16,517.19	(\$ 994.86)	\$94,276.93

GAETANO ASSOCIATES

BALANCE SHEET

APRIL, 1982ASSETS

Cash	\$ (1,988.41)
Rents and Accounts Receivable	177,562.56
Prepaid Expenses	<u>30,173.94</u>
TOTAL CURRENT ASSETS:	\$ 205,748.09

Rental Property and Equipment	\$ 1,430,424.82
Accumulated Depreciation	<u>(308,484.80)</u>

NET FIXED ASSETS:	1,121,940.02
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Deferred Mortgage Closing Costs	\$ <u>7,001.50</u>
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OTHER ASSETS:	<u>7,001.50</u>
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TOTAL ASSETS:	<u>\$ 1,334,689.61</u>
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LIABILITIES AND EQUITY

Mortgages and Loans Payable	\$ 747,597.86
Unearned Income	131,736.21
Accounts Payable	168,098.49
Accrued Expenses	55,054.01
Due to Affiliates	73,858.11
Partners' Equity	142,486.88
Due to Partner	<u>15,858.05</u>

TOTAL LIABILITIES AND EQUITY	<u>\$ 1,334,689.61</u>
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GAETANO ASSOCIATES

BALANCE SHEET

JANUARY, 1982ASSETS

Cash	\$ 76,959.92
Rents and Accounts Receivable	178,779.15
Prepaid Expenses	<u>(4,273.88)</u>
TOTAL CURRENT ASSETS:	\$ 251,465.19

Rental Property and Equipment	\$ 1,415,189.19
Accumulated Depreciation	<u>(277,155.80)</u>

NET FIXED ASSETS:	1,138,033.39
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Deferred Mortgage Closing Costs	\$ <u>7,661.50</u>
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OTHER ASSETS:	<u>7,661.50</u>
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TOTAL ASSETS:	<u>\$1,397,160.08</u>
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LIABILITIES AND EQUITY

Mortgages and Loans Payable	\$ 841,862.57
Unearned Income	129,510.18
Accounts Payable	186,867.33
Accrued Expenses	119,886.44
Due to Affiliates	33,858.11
Partners' Equity	69,317.40
Due to Partner	<u>15,858.05</u>

TOTAL LIABILITIES AND EQUITY:	<u>\$1,397,160.08</u>
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533211



GAETANO Asoc

T+E

1981

over

		Source	CHARLIE 6's	FORT SCHUYLER	ADAMS TUL	L. Boyer	Amex	E FEDER	YAHNANASIS	UTICA FLORAL	K GIANTO	B GAETANO	WSCHIBER	MISC.
50416	JAN	541.53 97.01 raj	53166	987		3731								5970 134387
116022	FEB	480.24 679.98	PJ CD	11152	1880 26000		4000 59288	630		8992 2080				2000
130631	MAR	94.95 1211.36	PJ CD	9495	11690	3750		18372	2210	1622				83492
443841	APR	2353.51 2084.90	PJ CD	20951	214400 8008			16189				3000		181293
148063	MAY	705.96 774.67	PJ CD	2290	45900	3500		10842						22406 63125
281350	JUNE	1653.37 1190.13	PJ CD	106389	940 41400	3165		81198						16608 34650
79807	JULY	8096 717.11	PJ CD		7498	21421 14362		16205					3525	8096 8700
230788	Aug	901.30 1406.58	PJ CD	90130				20761				101200	17322	1375
132249	Sep	0 1322.49	PJ CD			3074 23032					4305	32394	69444	
275222	OCT	684.69 2067.53	PJ CD	46349 5275	14200	45655		28434				10000	22737	7920 94651
98643	NOV	32141 ~665.02	PJ CD	7141	25000	5849		9068					11405	50180
506556	Dec	48763 14577.93	PJ CD	52563 324729	(3800)	37405		9369				11000		75290
2496588				724355	36278	81631	146601	630 210438	13282	1622	133030	73858	711763	

MISC PAYMENTS

Various HOTELS

PUBLICATIONS

DONATIONS

SUMMERTIME FESTIVAL

RESTAURANTS

STEVE B.

TOM O'MALLY

S. FINER

K. Avera

ONB

Pitoto's

TECHANS

Avis

NAT'L MAIL MONITOR

C Roller

L Bimson

Life Poetry

J. Dow

GAETANO Assoc - OFFICE Supplies

198L

(1 office phys)
\$1,294 per person per year

Misc Supplies
Postmaster
Spec Box
7-Florentino
T. Zanella
K. Fallon
E. Fazzini
Rhodes
PK

Rentilo
Sofco
Airsec
Allott
Pit Bowes
dIU CO.
APCO BUS.

NE Bus Serv
Quinn Print
Allott
Draulic Sound
Perf. Solutions

	MONTH	SOURCE	HUMERS	FED EXP	WEST TEMP	IBM	Perfect Saw	Peent Hall	MISC DISB	Misc Safe	1. MISC	Safeguard	Boro Press	Bus Serv
2010.07	JANUARY	1462.29 247.78 CD	1191903	10300	20043	2184			165 24778	23426	22873			
106997	Feb	913.49 158.48 CD	66567	6300	(73164)	2196			15648	2704		3647L	44116	5864
1242.34	MAR	917.51 324.83 CD	57340L			16068			21043	567L 11440			967L	6937
245863	APR	2307.99 150.64 PS	69286						15064	118249			34216	9048
1689.88	MAY	1371.74 318.14 CD	31257						31814	14898	9665	36296	45058	
159953	JUNE	1371.33 228.20 CD	24015	5300	15540	16341			22820	71348				4589
1810.41	July	724.44 ✓ 1085.97 CD	25862	2100					62805 95792.02	39893				4589
2110.25	Aug	1581.68 ✓ 278.57 250.00 ✓ Adj SE	11934		52448				25000 27857	30810			37454	21522
1687.47	Sep	1519.14 ✓ 16793 ✓ CD	29274			52628	45365		16793				19940	4747
1504.12	OCT	880.60 ✓ 643.52 CD	75359			35448			28904				8112	4589
2436.47	NOV	2005.55 ✓ 430.92 ✓ CD	6764			88864		24613	43092	14899			17368	48047
2681.10	Dec	2521.10 ✓ 160.00 ✓ CD	60700	2200		52561			16000	52671	13357	8015	62595	
24520.24			571817 more office supplies	26200	18867	266591	45365	24613	397410 Office Cleaning Supplies #1601000	26130	382753 New file of Draulic Power Supply Co. #6774000	59494 215199 Office Supply etc.	217585	
			92520.24			571817 more office supplies								

Santana Agave
1982 Capital Improvements

		1	2	3
1	(1) Agit Pump Unit (1 - 3 ton & 1 1/2 ton)	\$ 37128		
2	(2) Lighting for Up Hay (garage & stable)	24898		
3	(3) Landscaping of Up Hay	7695		
4	(4) Up Hay Improvements - Lakewood Construction	58947		
5	(5) Various improvements to Roof & Courtyard, Garage, etc. by Lakewood Construction	38359		
6	(6) Cafe Agave Tables	20592		
7	(7) Computer Hardware & Software	7785		
8	(8) Tenant Parking Lot Sweeper	11416		
9	(9) Other Equipment Purchases (Snowplow, etc.)	13076		
10	(10) Other Misc. bldg. improvements	44154		
11	Total	\$ 244000		
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1983 Schedule

		Holding Co.	Prop. Mgt. Co.	Cognac Assocs.	Gatorme Assocs.
1.	1983 Closed Out		N/A	Done	Done
2.	1983 Chart of Accts. loaded		Done	Done	Done
3.	1983 Financial Statements forwarded		Done	Done	Done
4.	1983 Budgets loaded		Done	Done	Done
5.	1983 J.F. 3/2's				
6.	Payroll System - Prop. Mgt. Co.	N/A	(circled)	N/A	
7.	Intaco Billing - Services				
8.	(A) Frequency of billings	Done	N/A		
9.	(B) Method of billings	Done	N/A		
10.	Cash Disbursement - Byp. Right Co.	N/A		N/A	
11.	Insurance Coverage		(circled)	(circled)	N/A
12.	Box Branches loaded	N/A	N/A	Done	Done
13.	January closing - 3/2's O/C & F/5's	(circled)	(circled)	Done	Done
14.	(A) Consolidation / sub-consolidations and separate are not.				

		Yarmouth C.G. Psys.	LAKWOOD	Deadline Date
1.		Done	Done	Done
2.		Done	Done	(circled)
3.		Done	Done	(circled)
4.		Done	Done	(circled)
5.				Feb. 4, 1983
6.				
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533213

1992 FF/S Schedule

1	2	3	4	5	6	7
1	Carmel Assoc.		Audit Status	Fiscal Audit	Comments	
2	Gattono Assoc.		Done	Done		
3	Ogdenbury		Done	Done		
4	C.G. Prop's		Done	Done		
5	Gattono Construction		Done	Done	In-progress	
6	Lakewood		Done	Done	Need T/B from Fier	
7	WBC Restaurant Corp.		Done	Done	In-progress	
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Holding Co.

- ① Chart of accounts on computer ✓
- ② Insurance coverages for employee ✓
- ③ Financial statement coding ✓

Prop. Mgmt. Co.

- ① Chart of accounts & financial statement coding ✓
- ② Payroll system ✓
- ③ Cash disbursement acct. ✓
- ④ Bank acct - (in-progress - acct. #
236-011615) ✓
 Tax. I.D. #

C.6. Properties

- ① Closing-over chart of accounts & financial statement coding.
- ② mgmt charge acct. coding.

61

37,22

23,75¹⁴

10,00⁰⁰

13,75¹⁴

13,75¹⁴

13,74¹⁴

TO DO'sCHARLESTOWN4th QTR '82 FUTA941~~* SUTA~~WRS-2W-310991099- FINIAL CLOSE 1982DoneFORWARD NEW BALANCES TO NEW CHART OF ACCOUNTS, ALONG WITH BUDGET FIGURES= MARKETING TRANSFER (JANUARY)" "1982~~* NIAGHRA MOHAWK GAS PAST DUE:~~~~* JANUARY FICA/FIT/AD INC/TAX DEPOSINS~~~~* ACCOUNTS SUPPLY HOUSE ORDER~~~~* 1982 SALES REPORT FIGURES -~~~~→ ** LETTERS OUT TO THOSE WHO HAVE NOT SENT.~~~~* SCHEDULE OF INCREASES IN FIXED ASSETS + WHERE THEY OCURED IN 1983.~~~~PROPERTY TAX SCHEDULE 1983~~~~MARKETING HAS NEW CHART OF ACCTS FOR~~~~1983, THEY NEED TO BE CODED. ALSO~~~~BUDGET NEEDS TO BE SET UP. (DO WE WANT TO SET THIS UP ON COMPUTER)?~~~~* ACCTS RECEIVABLE - PHONE - BALANCE TO GENERAL LEDGER?~~~~* ~~ADJUSTMENT TO MARKETING DEC 31, ENTRY~~~~~~1400 MARKETING DEFICIT \$17,683~~~~2000 Tenants Assessments \$17,683.~~↓

OGDENSBURG:

~~SET UP ACCTS PAY SCHEDULE~~

~~PAY PETER BARR~~

~~FILE STATE VOUCHER FORM FOR PAYMENTS~~

~~CLOSE 182 / ENTER BUDGET 183~~

~~SCHOOL TAXES 1~~

~~CHART OUT UTILITY COST / AREA'S~~

GAETANO DEVELOPMENT CORP:

~~INSURANCE PACKAGE~~

~~BILL SERVICES FOR JANUARY Rich LAB~~

~~COMPUTER - STATEMENTS - BUDGETS. Rich~~

~~PAYROLL SCHEDULE FOR JAN - Rich~~

~~" LIABILITY (TAXES) Rich~~

GAETANO PROPERTY MANAGEMENT CO:

~~CODE STATEMENTS - BUDGETS Rich~~

CG PROPERTIES:

~~LOAD CHART OF ACCOUNTS~~

~~CODE STATEMENTS - BUDGETS~~

Richard

- ① Closing schedule for real estate/development.
- ② Budgets loaded on option.
- ③ Set up books for Jactano Prop. Mgmt. Co.
- ④ std. J.E.'s set up for new year.
- ⑤ Books and PR for Jactano Development Corp. is his responsibility along with Jactano Prop. Mgmt. Co. (talk to him about budgets)
- ⑥ Interco-billings set up to run yet?
If not we need an interim method.
- ⑦ Cash flow involvement

MEMO TO: Larry Royer
FROM: Richard Salamida
Steve Bonsted
SUBJECT: 1982 Audit Schedule
DATE: January 17, 1983

Listed below is the tentative schedule for the completion of work-papers for the 1982 year-end audit.

<u>Financial Statement Category</u>	<u>Completion Date</u>
Cash, Accts. Rec., Other Current Assets	January 10, 1983
Notes Payable - current and long term	January 12, 1983
Payroll Taxes	January 12, 1983
Accts. Payable, Other current liabilities	January 10, 1983
Accrued Wages and Expenses	January 14, 1983
Fixed Assets/Depreciation	January 17, 1983
Income Statement Analysis	January 18, 1983

RS
SB

533214

MEMO TO: Larry Boyer
FROM: John Kinney
SUBJECT: 1982 Audit Schedule
DATE: January 4, 1983

Listed below is the tentative schedule for the completion of workpapers for the 1982 year end audit.

<u>FINANCIAL STATEMENT CATEGORY</u>	<u>COMPLETION DATE</u>
Cash, A/R, Other current assets, mortgage receivable	January 10, 1983
Notes payable - current and long term portion	January 10, 1983
NYS and Federal income tax payable	January 12, 1983
Payroll taxes, union, and other payables	January 12, 1983
Accrued wages and expenses	January 14, 1983
Fixed assets, life insurance policies	January 17, 1982
Accounts payable	January 18, 1982
Costs in excess of billings; billings in excess of costs	January 19, 1983
Income statement analysis	January 18 - 21, 1983

Paul Fox will be on vacation January 24 - 28, 1983. I would suggest scheduling Weiser for the time period January 17 - 21, 1983. Any remaining inquiries could be handled by myself the week of January 24, 1983.

GAEITANO ASSOCIATES
STATEMENT OF SOURCES & USES OF CASH
YEAR END 12/31/82

	1981	1982	NET CHANGE
CASH	9602700	315400	(9287300)
ACCOUNTS RECEIVABLE	6841500	21385500	14544000
PREPAID EXPENSES	179600	19900	(159700)
TOTAL CURRENT ASSETS	16623800	21720800	5097000
PROPERTY + EQUIPMENT (NET)	114780700	127122500	12341800
DEFERRED MORTGAGE COSTS	788100	874700	86600
TOTAL ASSETS	132192600	149718000	17525400
LIABILITIES			
ACCOUNTS PAYABLE + OTHER LIABILITIES	32187700	40729200	8541500
LOANS PAYABLE	88677700	70803100	(17874600)
DUUE AFFILIATES	3465800	(3388400)	(6654200)
DUUE PARTNER	1585800	1585800	-0-
TOTAL LIABILITIES	125917000	109729700	(16187300)
PARTNERS EQUITY	6275600	39988300	33712700
TOTAL LIABILITIES + EQUITY	132192600	149718000	17525400

533215

GAETANO ASSOCIATES
STATEMENT OF SOURCES & USES OF CASH
YEAR END 12/31/81

		1	2	3
1	PROFIT AS REPORTED 12/31/81	33712700		
2				
3	ADD: EXPENSES NOT REQUIRING			
4	CURRENT OUTLAY OF CASH			
5	DEPRECIATION	12013600		
6	AMORTIZATIONS	286400		
7				
8	TOTAL CASH PROVIDED FOR OPERATIONS	46012700		
9				
10	OTHER SOURCES OF CASH			
11	DECREASE IN ACCOUNTS REC	1113900		
12	DECREASE IN PREPAID EXPENSES	159700		
13				
14	TOTAL CASH PROVIDED	47286300		
15				
16				
17				
18	CASH USED FOR:			
19				
20	ACQ OF PROPERTY & EQUIPMENT	24355400		
21	INCREASE IN DEFERRED MORTGAGE COST	373000		
22	DECREASE IN MORTGAGES & LOANS PAY	17874600		
23	DECREASE IN DUE TO AFFILIATES	6854200		
24	DECREASE IN ACCOUNTS PAYABLE	7116400		
25				
26	TOTAL CASH USED	56573600		
27				
28	INCREASE (DECREASE) CASH BALANCE	(9287300)		
29				
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GAETANO ASSOCIATES
 BALANCE SHEET
 December 31, 1982

ASSETS

Cash	3,154
Rents and Accounts Receivable	213,855
Prepaid Expenses	199

TOTAL CURRENT ASSETS	217,208
Rental Property and Equipment	1,658,074
Less: Accumulated Depreciation	(386,849)

NET FIXED ASSETS	1,271,225
Deferred Mortgage Closing Costs	8,747

TOTAL ASSETS	1,497,180
	=====

LIABILITIES AND EQUITY

Accounts Payable	170,686
Unearned Income	156,579
Accrued Expenses	80,027
Due to Affiliates	(33,884)
Due to Partner	15,858

TOTAL CURRENT LIABILITIES	389,266
Mortgages and Loans Payable	708,031
Partners' Equity	60,856
Current Income (Loss)	339,016
Rounding Difference	11

TOTAL PARTNERS' EQUITY	399,883

TOTAL LIABILITIES AND EQUITY	1,497,180
	=====

GAETANO ASSOCIATES

INCOME STATEMENT

December 31, 1982

	CUR. MON. ACTUAL	CUR. MON. BUDGET	Y-T-D ACTUAL	Y-T-D BUDGET
	-----	-----	-----	-----

LEASE REVENUE:

Base Rent	91,876	103,511	1,190,900	1,216,127
Billed Utilities	16,531	16,144	195,956	193,728
Billed Taxes	0	380	2,282	2,320
Billed CAM Costs	11,482	9,067	151,599	123,672
Billed Repair/Maint.	3,322	0	44,891	0
Percentage Rents	4,742	13,279	87,321	106,487
Other Income	92	1,900	41,514	22,800
 TOTAL LEASE REVENUE	 128,045	 144,281	 1,714,463	 1,665,134

MALL OPERATING COSTS:

Heating(gas)	22,492	24,000	108,945	122,500
Electric	28,777	23,000	286,522	282,000
Water	726	2,000	9,204	24,000
Real Estate Taxes	13,638	6,500	97,684	78,000
Travel/Incidental	322	0	4,282	0
Mall Admin. Salaries	4,767	1,500	27,750	15,000
Bldg. Maint. Wages	3,626	4,622	44,455	49,265
Other Wages	308	1,435	13,000	14,240
Payroll Fringes	1,889	1,471	21,464	17,652
CAM - Wages	5,170	4,404	39,398	44,141
CAM - Operating Supplies	1,803	1,066	27,459	19,559
CAM - Security	3,186	2,598	30,280	31,176
CAM - Contracted Out	8,624	3,597	52,460	47,862
CAM - Equip. Leased/Auto	588	463	9,099	5,556
CAM - Other	0	0	43	0
Wharf - Wages	0	0	434	0
Vacation/Holiday Pay	6,282	0	8,574	1,575
Building Maintenance:				
Material	4,723	4,939	35,754	35,368
Contracted Labor	4,739	1,626	30,868	20,353
Expendable Tools	0	0	0	0
Freight	48	0	189	0
Miscellaneous Expense	0	0	195	0
 TOTAL MALL OPERATING COSTS	 111,708	 83,221	 848,059	 808,247

GAETANO ASSOCIATES

INCOME STATEMENT

December 31, 1982

	CUR. MON. ACTUAL	CUR. MON. BUDGET	Y-T-D ACTUAL	Y-T-D BUDGET
	-----	-----	-----	-----
ADMINISTRATIVE EXPENSES:				
Partners' Draw-BAG	3,000	3,000	34,200	31,200
Partners' Draw-CG	2,500	2,500	26,064	26,000
Partners' Draw-MJG	(1,900)	0	0	0
Management Charges	0	0	0	0
Admin. Salaries	10,090	7,000	76,187	69,100
P/R Taxes-FICA	2,024	1,350	17,481	14,030
P/R Taxes-FUTA/SUTA	450	240	7,909	2,880
Workmen's Comp. INS.	250	250	5,089	3,000
Disability Ins.	93	22	829	232
General Ins.	1,651	1,585	19,450	19,020
Other Employee Ins.	1,641	800	11,618	9,600
Allocated Fringes	(1,889)	(1,471)	(21,464)	(17,652)
Advertising	(23,550)	2,000	10,581	24,000
Rental Expense	0	0	0	0
Dues and Subscriptions	796	200	1,028	2,400
Educational Expense	0	100	875	1,200
Legal	(2,752)	500	5,040	6,000
Accounting	500	500	14,267	6,000
Other Prof. Fees	(7,391)	0	14,654	0
Office Supplies	2,681	500	22,518	6,000
Data Processing	242	100	2,163	1,200
Postage	440	200	6,469	2,400
Telephone	1,520	1,000	17,343	12,000
Travel and Entertainment	5,066	850	24,965	10,060
Contributions	0	0	915	0
Misc. Expense	(591)	0	1,771	0
Provision for Bad Debts	(2,074)	0	155	0
Interest Expense-ONB	372	5,608	86,468	82,090
Interest Expense-MORECO	(5,469)	805	10,397	16,260
Interest Expense-Other	1,001	441	7,416	6,345
Depreciation	5,263	10,300	120,136	123,600
Amort.-Mortgage Costs	444	220	2,864	2,640
Contract Income	0	0	0	0
Other Income	0	0	0	0
 TOTAL ADMINISTRATIVE EXP	 (5,592)	 38,600	 527,388	 459,605
 Net income (Loss)	 21,929	 22,460	 339,016	 397,282
 =====	 =====	 =====	 =====	 =====

--o0o--

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1981 AND 1980

--o0o--

M. R. WEISER & CO.

CERTIFIED PUBLIC ACCOUNTANTS

M. R. WEISER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

535 FIFTH AVENUE
NEW YORK, N.Y. 10017
(212) 972-2500

Gaetano Associates

We have examined the balance sheets of Gaetano Associates (a limited partnership) as of December 31, 1981 and 1980 and the related statements of income, changes in partners' equity and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Gaetano Associates at December 31, 1981 and 1980, and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.


M.R. Weiser & Co.

CERTIFIED PUBLIC ACCOUNTANTS

New York, N. Y.
February 12, 1982

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

BALANCE SHEETS

DECEMBER 31, 1981 AND 1980

ASSETS

	<u>1981</u>	<u>1980</u>
Rental property and equipment, at cost less accumulated depreciation of \$266,713 (1981) and \$171,422 (1980)	\$1,147,807	\$ 997,763
Cash	96,027	171,883
Accounts receivable, less allowance for doubtful accounts of \$20,000 (1981) and \$2,800 (1980)	61,757	40,007
Rents receivable	6,658	3,538
Prepaid expenses and sundry receivables	1,796	30,583
Deferred mortgage costs	<u>7,881</u>	<u>10,517</u>
	<u>\$1,321,926</u>	<u>\$1,254,291</u>

LIABILITIES AND PARTNERS' EQUITY

Loans payable	\$ 886,777	\$1,049,193
Accounts payable and other liabilities	321,877	247,341
Due to affiliates	34,658	30,658
Due to partner	15,858	
Partners' equity (deficiency)	<u>62,756</u>	<u>(72,901)</u>
	<u>\$1,321,926</u>	<u>\$1,254,291</u>

See accompanying notes to financial statements

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1981 AND 1980

	<u>1981</u>	<u>1980</u>
Rental and other revenue from tenants	<u>\$1,572,973</u>	<u>\$987,704</u>
Operating and administrative expenses:		
Gas, electricity and water	484,549	170,359
Management salaries	55,100	55,041
Other salaries, payroll taxes and fringe benefits	220,697	207,475
Real estate taxes	70,539	65,041
Maintenance and supplies	108,728	52,171
Security	32,778	28,546
Insurance	40,667	33,040
Telephone	11,752	10,939
Office expenses	13,169	12,073
Professional fees	47,101	27,840
Advertising and tenant promotion	45,511	52,980
Travel, entertainment and miscellaneous	21,800	9,773
Provision for doubtful accounts	<u>17,200</u>	<u>2,400</u>
	<u>1,169,591</u>	<u>672,637</u>
Income from rental operations, before interest, depreciation and amortization	<u>403,382</u>	<u>315,067</u>
Interest	177,363	137,946
Depreciation	95,291	80,116
Amortization	<u>2,635</u>	<u>2,635</u>
	<u>275,289</u>	<u>220,697</u>
Income from rental operations	128,093	94,370
Contracting income (loss) - net	(6,148)	92,389
Loss on disposition of equipment		(20,380)
Interest and other income	13,712	
Provision for loss on amount due from Empire Circuits Inc. (an affiliate)		<u>(230,113)</u>
Net income (loss)	<u>\$ 135,657</u>	<u>\$(63,734)</u>

See accompanying notes to financial statements

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1981

		Net Deficiency <u>December 31, 1980</u>	Income For The Year	Equity <u>December 31, 1981</u>
General partners:				
Charles A. Gaetano	1/3	\$ (24,319)	\$ 45,219	\$ 20,900
Brian A. Gaetano	1/18	(4,044)	7,537	3,493
Limited partners:				
Cornelia Gaetano	1/3	(24,318)	45,219	20,901
William C. Gaetano, Jr.	1/18	(4,044)	7,537	3,493
Charles N. Gaetano	1/18	(4,044)	7,537	3,493
Mary J. Gaetano	1/18	(4,044)	7,536	3,492
Coleen A. Gaetano	1/18	(4,044)	7,536	3,492
Gregory Gaetano	1/18	(4,044)	7,536	3,492
		<u>\$ (72,901)</u>	<u>\$135,657</u>	<u>\$62,756</u>

FOR THE YEAR ENDED DECEMBER 31, 1980

		Net Deficiency <u>December 31, 1979</u>	Loss For The Year	Deficiency <u>December 31, 1980</u>
General partners:				
Charles A. Gaetano	1/3	\$ (3,075)	\$ (21,244)	\$ (24,319)
Brian A. Gaetano	1/18	(503)	(3,541)	(4,044)
Limited partners:				
Cornelia Gaetano	1/3	(3,074)	(21,244)	(24,318)
William C. Gaetano, Jr.	1/18	(503)	(3,541)	(4,044)
Charles N. Gaetano	1/18	(503)	(3,541)	(4,044)
Mary J. Gaetano	1/18	(503)	(3,541)	(4,044)
Coleen A. Gaetano	1/18	(503)	(3,541)	(4,044)
Gregory Gaetano	1/18	(503)	(3,541)	(4,044)
		<u>\$ (9,167)</u>	<u>\$ (63,734)</u>	<u>\$ (72,901)</u>

See accompanying notes to financial statements

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)
STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 1981 AND 1980

	<u>1981</u>	<u>1980</u>
Cash provided by:		
Operations:		
Net income (loss)	\$135,657	\$(63,734)
Expenses not requiring the current outlay of cash:		
Depreciation	95,291	80,116
Amortization	2,635	2,635
Cost of equipment disposed		20,380
Increase in allowance for doubtful accounts	<u>17,200</u>	<u>2,400</u>
Total cash provided by operations	250,783	41,797
Decrease in prepaid expenses and sundry receivables	28,787	
Increase in accounts payable and other liabilities	74,536	160,502
Proceeds of loans payable	220,230	269,089
Increase in amounts due to affiliates	4,000	
Increase in amount due to partner	15,858	
Total cash provided	<u>594,194</u>	<u>471,388</u>
Cash used for:		
Acquisition of property and equipment	245,335	161,256
Payment of amounts due to affiliates		41,953
Increase in receivables and prepaid expenses	42,069	27,247
Repayment of short-term and other loans	<u>382,646</u>	<u>197,977</u>
Total cash used	<u>670,050</u>	<u>428,433</u>
Increase (decrease) in cash balance	<u>\$(75,856)</u>	<u>\$ 42,955</u>

See accompanying notes to financial statements

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS

1. General:

The limited partnership was formed April 1, 1979, pursuant to the laws of the State of New York and operates the "Charlestown" property located in Utica, New York.

The statements do not give effect to any assets that the partners may have outside of their interests in the partnership, or to any personal obligations, including income taxes, of the partners.

2. Summary of Significant Accounting Policies:

Basis of Accounting:

The accounts of the partnership are maintained, and the accompanying financial statements have been prepared, on the accrual basis or accounting.

Rental Property and Equipment:

Assets are stated at cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method.

3. Rental Property and Equipment:

Rental property and equipment, consists of the following:

	December 31,		Estimated Useful Life in Years
	1981	1980	
Land	\$ 192,000	\$ 192,000	
Buildings	266,000	266,000	20
Building improvements	882,365	637,030	10-15
Equipment	33,940	33,940	3-6
Furniture and fixtures	28,605	28,605	5-10
Vehicles	11,610	11,610	5
	1,414,520	1,169,185	
Less accumulated depreciation	266,713	171,422	
	<u>\$1,147,807</u>	<u>\$ 997,763</u>	

4. Deferred Mortgage Costs:

The mortgage closing costs incurred in connection with the loan payable to a bank is being amortized, on the straight-line basis over the term of the loan.

5. Loans Payable:

	<u>December 31,</u>	<u>1981</u>	<u>1980</u>
Loans payable consist of the following:			
Indebtedness to a bank, payable \$15,833 per month (final payment due December 1, 1984), together with interest at 1% above the prime rate, collateralized by a mortgage on the "Charlestown" real property (including parking area) and all personal property attached to or used in connection with the premises and requisite to their operation as a shopping center and manufacturing plant	\$570,000	\$ 760,000	
Note payable to Mohawk Valley Rehabilitation Corporation, originally payable \$20,833 per month plus interest at 12%, beginning June 1, 1981, changed to payment of \$10,000 per month, including interest, collateralized by a second mortgage on the "Charlestown" real property	190,537	250,000	
Installment note, payable \$400 per month, including interest; final payment due June 1983	7,193	10,199	
Note payable to Utica Department of Urban and Economic Development, payable \$956 per month, including interest at 7%, until September 1991	79,047		
Short-term notes payable to bank at \$20,000 per month	40,000		
Amount due in connection with insurance premium financing arrangement	28,994		
	<u>\$886,777</u>	<u>\$1,049,193</u>	

Maturities of loans payable for each of the five years from December 31, 1981 are as follows:

1982	\$340,932
1983	289,930
1984	196,500
1985	6,800
1986	7,200

Gaetano Devol Corp.

12-31-83

Inter Corp Reimbursement Worksheet

Date	Prepared By	X/6/84	Work Paper No.
	Reviewed By		

		1	2	3	4
1	Offices Salaries	152200.00	104000.00	51200.00	Oldg. Systems
2	Debt's "	2412320		2412320	
3	Legal "	5568001	5568001	5000000	
4	Structural	1689224		1689224	
5	Development	95785.83	5198333	2962700	COPS 1417500
6		344686.75	10166334	2962700	1417500
7	Payroll taxes - FICA	67000 67000 19413457	662643	207389	974506
8	FUTA/SUTA	5.35557	189326	59254	110711
9	DBL	421.68	21699	4444	13382
10	EE Med.	8,888.91	302922	94806	459814
11	Gasoline	144.00	144.00		28349
12	Advertising	1968.27		196827	
13	Dues & Subs	4801.36		480136	
14	Phone	2872.50	79000	287250	
15	Office Supplies	4051.57	21500.00	-	455157
16	DDP	866.02	400.00	466.02	
17	T/S	28336.28	15000.00	12801.93	53435
18	Legal	1481.37	700.00	781.37	
19	Open Buford	14560.91	6910.00	309000	456091
20	Costello	1486.50	700.00		78550
21	Misc	238.45	213.38		2507
22		439,536.62	200,786.62	3637593	18462407
23	Services billed - other	(5,133.25)	(513325)		1775000
24		434,403.37	19565307	3637593	18462407
25	Services billed	(478,750.00)	(240000 -)	(131000 -)	(90000 -)
26		(44,346.63)	(4434663)	(9462407)	(1775000)
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533216



Gatton Dev'l Corp.

12-31-83

Salaries & Wages

Date	Prepared By	K3/6/84	Work Paper No.
	Reviewed By		

		1 50100	2 50200	3 50300	4 50400 50500
		Total	Offices	Cash	Legal
1	CAG	CAG	104,000.00	104,000.00	
2	BAG	C'TWD	48,200.00	48,200.00	
3	Larry Boyer	CAG	24,123.20	24,123.20	
4	Steve Johnson	CAG	38,900.00		38900.00
5	Mary Ann Miller	CAG	13,780.00		13780.00
6	Carol Lynn Cheyne	CAG	6,100.00		3000.01 3100.01
7	Sharon L. Refford	C'TWD	2,307.70		2307.70
8	Marilyn J. Dant	C'TWD	11,484.53		11484.53
9	John Dowd Jr	C'TWD	18,700.00		18700.00
10	Walter Schubert	CAG	12,950.00		12950.00
11	Robert Mansas	CAG	7,484.75		7484.75
12	Daniel Klepp	C'TWD	14,175.00		14175.00
13	Alphonse Muccini	CAG	14,134.75		14134.75
14	Donna Gamber	C'TWD	992.00		992.00
15	Susan Pentell	CAG	1260.00		1260.00
16	Philip Santino	C'TWD	9930.00		9930.00
17	Anthony Jones	CAG	16153.83		16153.83
18		344,680.78	157,200.00	24,123.20	55,680.00 b/c 168,24 95,785.33 474 474 614
19					
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Date: Dec 31 83

THE GAETANO DEVELOPMENT CORPORATION

Page: 1

December 31, 1983

Trial Balance Worksheet

Client
X 3/6/84

Current fiscal period: 12

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
10100		CASH - BANK OF UTICA	1.08							1.08
10200		CASH - OTHER	0.00							
10300		OTHER INVESTMENTS	0.00							
10400		PETTY CASH	200.00							200.00
10600		SPECIAL PROJECTS -	0.00							
10700		SPECIAL PROJECTS -	0.00							
10800		SPECIAL PROJECTS -	0.00							
10900		SPECIAL PROJECTS -	0.00							
12300		EXCHANGES	0.00							
12400		DUE FROM CAG CONSTRUCTION	0.00							
12500		DUE FROM LAKWOOD	70,584.00				(4) 70,584.00			-0-
12600		DUE FROM GAETANO PROPERTY MAN.		1,325.00		(4) 94,624.01				93299.07
12700		DUE FROM GAETANO BLDG. SYSTEMS	422.00				(1) 1928.00			2350.00
12800		DUE FROM WBC RESTAURANT CORP.	0.00							
12900		DUE FROM OTHER AFFILIATES	0.00							
13000		PREPAID REAL ESTATE TAXES	0.00							
13100		PREPAID INSURANCE	0.00							
13200		PREPAID INTEREST	0.00							
13300		PREPAID EXPENSES - OTHER	0.00							
14000		LAND	0.00							
14300		BUILDINGS	0.00							
14400		BUILDING IMPROVEMENTS	0.00							
14500		EQUIPMENT	0.00							
			71,107.08	1,325.00						95850.15

te: Dec 31 83

THE GAETANO DEVELOPMENT CORPORATION

Page: 2

December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
14600		FURNITURE AND FIXTURES	0.00							
14700		OFFICE EQUIPMENT	0.00							
14800		VEHICLES	0.00							
15000		ACCUM. DEPREC.- BUILDINGS	0.00							
15100		ACCUM. DEPREC.- BUILD. IMPROV.	0.00							
15200		ACCUM. DEPREC.- EQUIPMENT	0.00							
15300		ACCUM. DEPREC.- FURNITURE	0.00							
15400		ACCUM. DEPREC.- OFFICE EQUIPT.	0.00							
15500		ACCUM. DEPREC. - VEHICLES	0.00							
16000		INVESTMENT IN - CAG CONSTRUCT.	@ 604,501.00				@ 604,501.00		-0-	
16100		INVESTMENT IN - LAKWOOD	@ 84,816.00				@ 84,816.00		-0-	
16200		INVESTMENT IN - WBC RESTAURANT	@ 95,188.00				@ 95,188.00		-0-	
16300		INVESTMENT IN - PROPERTY MANAG	0.00							
16400		INVESTMENT IN - BLDG. SYSTEMS	0.00							
20000		TRADE ACCOUNTS PAYABLE	0.00							
20100		N.Y.S. SALES TAX PAYABLE	0.00							
20200		F.I.C.A. WITHHOLDING PAYABLE		806.55						806.55
20300		F.I.T. WITHHOLDING PAYABLE		3,022.66						3,022.66
20400		N.Y.S. WITHHOLDING PAYABLE		1,455.83						1,455.83
20401		DISABILITY PAYABLE		439.88						439.88
20500		F.I.C.A. TAX-EMPLOYER PAYABLE		3,054.92						3,054.92
20600		F.U.T.A. PAYABLE		153.92						153.92
20700		S.U.T.A. PAYABLE		936.74						936.74
20800		ACCRUED WAGES	814.97							814.97
20900		ACCRUED PROFESSIONAL EXPENSES	0.00							
			785,319.97		9,810.50					814.97 9810.50

te: Dec 31 83

THE GAETANO DEVELOPMENT CORPORATION

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December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
21000		ACCRUED ADVERTISING EXPENSES	0.00							
21100		ACCRUED OTHER EXPENSES		9,327.92	(1) 4321.92					-0-
22300		NOTE PAYABLE -	0.00							
22400		NOTE PAYABLE -	0.00							
22500		NOTE PAYABLE - C.A.G.	0.00							
23000		DUE TO AFFILIATES		4,665.85						4665.85
23100		DUE TO CAG CONSTRUCTION	0.00			(1) 13742.07				58,088.70
23200		DUE TO LAKWOOD	0.00			(1) 44,346.63				24,040.07
23300		DUE TO GAETANO PROPERTY MANAGE	0.00			(1) 24040.07				
23400		DUE TO GAETANO BLDG. SYSTEMS	0.00							
23500		DUE TO WBC RESTAURANT	0.00							
23600		DUE TO OTHER AFFILIATES		65.57	(1) 65.57					-0-
25000		COMMON STOCK - CLASS A		242,962.00	(1) 242,962.00					-0-
25100		COMMON STOCK - CLASS B	0.00							
25200		PREFERRED STOCK - CLASS A		120,000.00	(1) 120,000.00					-0-
25300		PREFERRED STOCK - CLASS B		421,543.00	(1) 421,543.00					-0-
25700		RETAINED EARNINGS	0.00							86794.67
27000		PROFIT (LOSS)	0.00							
30100		SERVICES BILLED - CAG CONSTR.		240,000.00	(1) 240,000.00					-0-
30200		SERVICES BILLED - LAKWOOD		131,000.00	(1) 131,000.00					-0-
30300		SERVICES BILLED - PROPERTY MAN		90,000.00	(1) 90,000.00					-0-
30400		SERVICES BILLED - BLDG. SYSTEM		15,822.00	(1) 17,750.00	(1) 1908.00				-0-
30500		SERVICES BILLED - WBC RESTAURA	0.00							
30600		SERVICES BILLED - OTHER		5,133.25	(1) 5133.25					-0-
30700		OTHER INCOME	0.00							

-0- 481,955.75

@ No balance in several entries

Date: Dec 31 83

THE GAETANO DEVELOPMENT CORPORATION

December 31, 1983

Page: 4

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
50100		OFFICERS SALARIES	152,200.00				① 152,200.00	-0-		
50200		ACCOUNTING SALARIES	24,123.20				② 24,123.20	-0-		
50300		LEGAL SALARIES	55,680.01				① 55,680.01	-0-		
50400		SECRETARIAL SALARIES	16,892.24				② 16,892.24	-0-		
50500		DEVELOPMENT SALARIES	95,785.33				③ 95,785.33	-0-		
51300		PAYROLL TAXES - FICA	344,680.78	19,413.45			④ 19413.45	-0-		
51400		PAYROLL TAXES - FUTA/SUTA	5,355.57				⑤ 5355.57	-0-		
51500		WORKMEN'S COMPENSATION	0.00							
51600		DISABILITY INSURANCE	421.68				⑥ 421.68	-0-		
51700		OTHER EMPLOYEE INSURANCE	2,820.66				⑦ 6039.75	⑧ 8858.91	-0-	
51800		GENERAL INSURANCE	0.00				⑨ 144.00	⑩ 144.00	-0-	
51900		ADVERTISING	1,927.84				⑪ 106.00	⑫ 65.57	-0-	
52100		RENTAL EXPENSE	0.00							
52200		DUES AND SUBSCRIPTIONS	3,957.38				⑬ 843.98	⑭ 4801.36	-0-	
52300		EDUCATIONAL EXPENSES	2,872.50				⑮ 2872.50	-0-		
52600		OFFICE SUPPLIES	3,638.11				⑯ 413.46	⑰ 4051.57	-0-	
52700		DATA PROCESSING	866.02				⑱ 866.02	-0-		
52800		POSTAGE	0.00							
52900		TELEPHONE	0.00							
53000		TRAVEL AND ENTERTAINMENT	23,756.22				⑲ 4580.06	⑳ 28336.28	-0-	
60100		REAL ESTATE TAXES	0.00							
60200		PARTNER'S DRAW	0.00							
60300		MANAGEMENT CHARGES	0.00							
60400		LEGAL	50.00				⑳ 1431.37	⑳ 1481.37	-0-	
60500		ACCOUNTING	0.00							

409,760.21

Date: Dec 31 83

THE GAETANO DEVELOPMENT CORPORATION

Page: 5

December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
60600		✓ OTHER PROFESSIONAL FEES	14,560.91		(④) 14560.91	+ 0 -				
60700		✓ CONTRIBUTIONS	1,485.50		(④) 1485.50	+ 0 -				
60800		✓ MISC. EXPENSES	53.50		(③) 184.95	(④) 238.45	- 0 -			
60900		✓ PROVISIONS FOR BAD DEBTS	0.00							
61000		✓ INTEREST EXPENSE -	0.00							
61100		✓ INTEREST EXPENSE -	0.00							
61200		✓ INTEREST EXPENSE -	0.00							
61300		✓ DEPRECIATION	0.00							
69900		✓ INCOME TAXES	9,327.92		(①) 9327.93	- 0 -	X			
			1,291,715.09	1,291,715.09						

Total of Income and Expense Accounts Listed

46,767.21

107 accounts listed.

25,427.83

Balance Sheet : Pg 1

71,207.08	1,325.00	95,850.15	- 0 -
785,319.97	9,810.50	814.97	9870.50
1 0 -		- 0 -	86,794.62
856,527.05	788,564.49	76,663.12	94,665.12
809,759.84	809,759.84		94,665.12
<u>46,767.81</u>			

95,850.15	- 0 -
814.97	9870.50
- 0 -	86,794.62
76,663.12	94,665.12
	94,665.12

Pg 1

Pg 3

481,955.25

- 0 -

409,760.21		- 0 -	
25,427.83		- 0 -	
435,188.04	481,955.25		
	435,188.04		
	<u>46,767.81</u>		

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PRINTED IN U.S.A.

Gaelano Development Corp.

12-31-83

Adjm'ts

Date 3/6/84	Prepared By <i>[Signature]</i>	Work Paper No. 199357
	Reviewed By	

	A/c #	DR	CR	Profit (Loss)
1 Preliminary profit				54676721
2 Client Dcty's attached				199357
① Current expenses	211100	932792		932792
Income Taxes	69900			
to zero out preliminary provision				
② Common Stk - Class A	25000	24296200		
Preferred Stk - Class A	25200	12000000		
Preferred Stk - Class B	25200	421534300		
Invest - CAG	11000			60750100
Invest - Lakewood	16100			8481600
Invest - WBC Rent	16200			2518800
③ Due to CAG Const.	23100			1374207
Eq Insurance	57200	603825		
Legal	100400	143137		
T & E	5300	458006		
Office	52600	41346		
Travel & Subs.	52200	84398		
Coflo.	51900	10600		
Insurance	51800	14400		
Misc.	60200	18975		
to balance intanca and new Q adjmts made by				(1374207)
CAG on behalf of GDC				4434663
④ Services billed - CAG	30100	240000		
" " - Lakewood	30200	131000		
" " - Prop Mgmt	30300	90000		
" " - Bldg Maint	30400	17750		
" " - Other	30500	513925		
Officer Salaries	50100			15220000
Adm'	50200			2412320
Legal	50300			55168001
Secret	50400			1689224
Dovel	50500			9578533
Payroll - FICA	51300			1941345
FUTA/SUM	51400			535557
Dbl Journal	51500			885891
EE Journal	51600			144100
Gen Journals	51700			196827
Adv	51800			480136
Travel & Subs	52200			287050
Edue	52300			5405157
Office Supplies	52600			86602
SHP	52700			2833628
T & E	52800			148137
Legal	60400			1456091
Other Exp.	60500			148550
Constit	60700			23845
Misc Exp	60800			4434663
Due to CAG Const.	23100			7056400
Due from Lakewood	12500			
Due from Prop Mgmt	12400	2462407		(4434663)

GAETANO DEVELOPMENT CORP
ADJUSTING ENTRIES

12-31-83

Date	Prepared By	Work Paper No.
	Reviewed By	

	ACCT #	1	2	3	4
				DEBIT	CREDIT
1	DUE from GBS	✓ 10000 ✓		192800	
2	Services billed GBS	30400 ✓			192800
3	- adj dec billing per GBS books				
4					
5					
6	(2) DUE to other affiliates	✓ 23600 ✓		65.57	
7	ADVERTISING	51900 ✓			65.57
8	- adj invoice pd in acc't				
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GAETANO

DEVELOPMENT

CORP

- 1) WTB (12/31/83)
- 2) ADJUSTMENTS
- 3) INTERCO. A/C
W/P'S

N

Financial Statements (Unaudited) and
Other Financial Information

CORNEL ASSOCIATES (A LIMITED PARTNERSHIP)

December 31, 1983

Financial Statements (Unaudited)

Accountants' Report	1
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Partners' Capital (Deficit)	4
Statements of Changes in Financial Position	5
Notes to Financial Statements	6

Other Financial Information

Accountants' Report on Other Financial Information	11
Details of Statements of Changes in Partners' Capital	12
Details of Expenses	13

533217



Financial Statements (Unaudited)

CORNEL ASSOCIATES (A LIMITED PARTNERSHIP)

December 31, 1983

Accountants' Report	1
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Partners' Capital (Deficit)	4
Statements of Changes in Financial Position	5
Notes to Financial Statements	6

To the Partners
Cornel Associates
Utica, New York

We have reviewed the accompanying balance sheet of Cornel Associates (a Limited Partnership) as of December 31, 1983, and the related statements of operations, changes in partners' capital (deficit), and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Cornel Associates.

A review consists principally of inquiries of Partnership personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying 1983 financial statements in order for them to be in conformity with generally accepted accounting principles.

The accompanying 1982 financial statements of Cornel Associates were reviewed by other auditors whose report dated January 25, 1983, stated that they were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with generally accepted accounting principles.

Syracuse, New York
March 16, 1984

BALANCE SHEETS (UNAUDITED)

CORNEL ASSOCIATES (a Limited Partnership)

	December 31	
	1983	1982
ASSETS		
Commercial office buildings--Notes A, B and H:		
Land	\$ 74,810	\$ 59,810
Buildings and improvements	1,562,418	367,869
Tenant improvements	8,000	8,000
Construction in progress	<u>91,600</u>	-0-
	<u>1,736,828</u>	<u>435,679</u>
Less allowances for depreciation	<u>47,233</u>	<u>13,268</u>
	<u>1,689,595</u>	<u>422,411</u>
Cash	59,746	2,057
Rents receivable	1,366	-0-
Prepaid expenses	1,174	-0-
Organization costs (\$10,805), less amortization--		
Note A	6,303	8,464
Deferred financing expenses (\$38,824 in 1983; \$2,342 in 1982), less amortization--Note A	<u>38,154</u>	<u>2,007</u>
	<u><u>\$1,796,338</u></u>	<u><u>\$434,939</u></u>
LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)		
LIABILITIES		
Notes and construction loan payable--Note B	\$1,265,666	\$383,533
Due to affiliates--Note C	34,793	33,500
Construction payables due affiliate--Note D:		
Currently due	46,505	-0-
Retainage	76,855	-0-
Accounts payable and accrued expenses	53,361	65,099
Notes payable to partners--Note E	<u>268,000</u>	<u>12,622</u>
	<u>1,745,180</u>	<u>494,754</u>
PARTNERS' CAPITAL (DEFICIT)	<u>51,158</u>	<u>(59,815)</u>
	<u><u>\$1,796,338</u></u>	<u><u>\$434,939</u></u>

See accountants' review report and notes to financial statements (unaudited).

PRELIMINARY DRAFT

For Discussion

Proprietary Only

STATEMENTS OF OPERATIONS (UNAUDITED)**CORNEL ASSOCIATES (a Limited Partnership)**

	Year ended December 31,	
	<u>1983</u>	<u>1982</u>
RENTAL INCOME	\$143,411	\$203,768
EXPENSES		
Administrative and management	21,641	22,984
Operating	86,164	123,338
Repairs and maintenance	37,127	57,756
Taxes, insurance and employee benefits	50,421	37,371
Interest	73,747	34,650
	<u>269,100</u>	<u>276,099</u>
LOSS BEFORE DEPRECIATION AND AMORTIZATION		
	125,689	72,331
DEPRECIATION AND AMORTIZATION	<u>36,461</u>	<u>14,813</u>
	NET LOSS	<u>\$162,150</u>
	<u>\$ 87,144</u>	

See accountants' review report and notes to financial statements (unaudited).

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL (DEFICIT) (UNAUDITED)

CORNEL ASSOCIATES (a Limited Partnership)

	Year ended December 31, <u>1983</u>	<u>1982</u>
Partners' capital (deficit) at beginning of year	\$ (59,815)	\$ 27,329
Net loss for the year	(162,150)	(87,144)
Capital contributed--cash	<u>273,123</u>	<u>-0-</u>
PARTNERS' CAPITAL (DEFICIT) AT END OF YEAR	<u>\$ 51,158</u>	<u>\$ (59,815)</u>

See accountants' review report and notes to financial statements (unaudited).

STATEMENTS OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

CORNEL ASSOCIATES (a Limited Partnership)

	Year ended December 31, 1983		1982
FUNDS PROVIDED BY			
Partners' capital contributions--cash	\$ 273,123	\$ -0-	
Cash proceeds from borrowings:			
Notes and construction loan	1,226,500	50,000	
Notes payable to partners	255,378	7,500	
Increase in:			
Construction payables	123,360	-0-	
Accounts payable and accrued expenses	-0-	22,182	
Due to affiliates	1,293	33,500	
Decrease in other assets	-0-	4,451	
	<u>1,879,654</u>	<u>117,633</u>	
FUNDS APPLIED TO			
Operations:			
Net loss for the year	162,150	87,144	
Items not affecting funds:			
Depreciation	(33,965)	(12,317)	
Amortization	(2,496)	(2,496)	
	<u>TOTAL USED IN OPERATIONS</u>	<u>125,689</u>	<u>72,331</u>
Repayment and refinancing of note obligations	344,367	8,411	
Purchase of land and buildings	159,470	-0-	
Expenditures for building improvements and construction in progress	1,141,679	33,595	
Decrease in accounts payable and accrued expenses	11,738	-0-	
Increase in:			
Deferred financing expenses	36,482	2,342	
Other assets	2,540	-0-	
	<u>INCREASE IN CASH</u>	<u>1,821,965</u>	<u>116,679</u>
Cash at beginning of year	<u>57,689</u>	<u>954</u>	
	<u>2,057</u>	<u>1,103</u>	
	CASH AT END OF YEAR	\$ 59,746	\$ 2,057

See accountants' review report and notes to financial statements (unaudited).

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

CORNEL ASSOCIATES (a Limited Partnership)

December 31, 1983 and 1982

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Financial Statement Presentation: Cornel Associates was organized as a limited partnership under the laws of the State of New York as of November 1, 1981 to acquire, finance, construct, develop, operate and otherwise invest in personal and real property for commercial and industrial uses. The Partnership presently owns and operates a commercial office building at 258 West Genesee Street and certain adjacent parcels in Utica, New York.

The accompanying financial statements have been prepared on the accrual method of accounting and include only those assets, liabilities, and results of operations that relate to the business of Cornel Associates.

Certain 1982 amounts have been reclassified to conform to 1983 presentation.

Commercial Office Buildings: The Partnership capitalizes costs directly associated with the acquisition and rehabilitation of each real estate parcel until the parcel or phase of rehabilitation is substantially complete and ready for its intended use. Costs include interest, acquisition expenditures, design and engineering expenses.

Depreciation of buildings and improvements is computed using the straight-line method based on an estimated useful life of 30 years. Tenant improvements are depreciated using the straight-line method over the lesser of remaining lease term or 15 years.

Organization Costs: Organization costs are amortized using the straight-line method over 5 years.

Deferred Financing Expenses: Costs and expenses incurred to obtain financing have been deferred and are amortized over the respective mortgage periods which range from 7 to 20 years.

Income Taxes: No provision has been made for income taxes or tax credits since income, losses and credits are includable in the tax returns and are the responsibility of the partners individually.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)--Cont'd

CORNEL ASSOCIATES (a Limited Partnership)

December 31, 1983 and 1982

NOTE B--NOTES AND CONSTRUCTION LOAN PAYABLE

Notes and construction loan payable consist of:

	December 31 1983	1982
Notes repaid (refinanced) in 1983 from proceeds of construction loan borrowings	\$ -0-	<u>\$338,286</u>
Construction (rehabilitation) loan borrowings under demand note, interest at prime rate plus 1%, collateralized by a first lien on the Partnership properties:		
Maximum commitment	1,700,000	-0-
Undisbursed portion	<u>523,500</u>	<u>-0-</u>
Outstanding balance	<u>1,176,500</u>	<u>-0-</u>
7% notes payable to City of Utica, collateralized by second mortgages on the Partnership properties:		
Payable in monthly installments of \$755, including interest, through February 1989	39,166	45,247
Payable in monthly installments of \$755, including interest, through December 1991	<u>50,000</u>	<u>-0-</u>
	<u>89,166</u>	<u>45,247</u>
	<u><u>\$1,265,666</u></u>	<u><u>\$383,533</u></u>

Total interest expense on the above borrowings was \$103,183 and \$34,650 during the years ended December 31, 1983 and 1982, respectively, which has been accounted for in the accompanying financial statements as follows:

	Year ended December 31,	
	1983	1982
Amounts expensed	\$ 73,747	\$34,650
Amount capitalized to building improvements	<u>29,436</u>	<u>-0-</u>
	<u><u>\$103,183</u></u>	<u><u>\$34,650</u></u>

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)--Cont'd

CORNEL ASSOCIATES (a Limited Partnership)

December 31, 1983 and 1982

NOTE B--NOTES AND CONSTRUCTION LOANS PAYABLE--Cont'd

The Partnership has a bank commitment to replace the construction loan with long-term mortgage financing upon completion of building rehabilitation in 1984. The permanent mortgage loan will be for a term of 20 years with interest at prime rate plus 1%.

Aggregate principal payments of the notes payable, excluding the construction loan, for the five years subsequent to December 31, 1983 are: 1984--\$12,258; 1985--\$13,144; 1986--\$14,094; 1987--\$15,113; and 1988--\$16,206.

NOTE C--DUE TO AFFILIATES

Due to affiliates at December 31, 1983 and 1982 represents working capital advances and charges from entities related to the general and certain limited partners by common family ownership.

NOTE D--CONSTRUCTION PAYABLES DUE AFFILIATE

The Partnership has entered into a fixed-price contract of \$1,537,000 with Lakewood Construction Co., Inc., a general contractor related to the general and certain limited partners by common family ownership. This contract is for substantial rehabilitation work on the Partnership's principal income-producing property located at 258 West Genesee Street.

Through December 31, 1983, the Partnership has been requisitioned \$1,123,500 for work performed by the general contractor. The Partnership expects that its rehabilitation work will be completed by mid 1984.

NOTE E--NOTES PAYABLE TO PARTNERS

Notes payable to partners consist of:

Non-interest bearing capital construction loans,
payable on demand, but repayment subordinate to
construction loan borrowings:

General partner
Limited partner

December 31
1983 1982

\$ 25,000	\$ -0-
25,000	12,622
<hr/>	
50,000	12,622

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)--Cont'd

CORNEL ASSOCIATES (a Limited Partnership)

December 31, 1983 and 1982

NOTE E--NOTES PAYABLE TO PARTNERS--Cont'd

	December 31	
	1983	1982
Balance brought forward	\$ 50,000	\$12,622
Operating expense loan from general partner, interest at prime rate plus 1%; repayment based upon Partnership cash flow, as defined in the Partnership agreement, but subordinate to construction loan borrowings	<u>218,000</u>	<u>-0-</u>
	<u>\$268,000</u>	<u>\$12,622</u>

NOTE F--LEASES

The Partnership's operating revenue is principally obtained from tenants through rental payments as provided for under noncancelable operating leases. The tenant leases typically provide for guaranteed minimum rent and other miscellaneous charges to cover certain operating costs.

Because the Partnership's principal income-producing property located at 258 West Genesee Street is undergoing substantial rehabilitation until mid 1984, operating results for 1983 and 1982 are not necessarily indicative of operations on a fully rented-up basis. The Partnership began its post-rehabilitation rent-up efforts on this property in late Fall of 1983.

The following is a schedule by years of minimum future rentals on noncancelable tenant operating leases as of March 16, 1984:

Year ending December 31:

1984	\$ 231,613
1985	209,720
1986	190,060
1987	184,604
1988	188,912
Later years	<u>153,103</u>
	TOTAL FUTURE MINIMUM RENTALS
	<u>\$1,158,072</u>

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)--Cont'd

CORNEL ASSOCIATES (a Limited Partnership)

December 31, 1983 and 1982

NOTE G--RECONCILIATION OF FINANCIAL REPORTING LOSS WITH TAXABLE LOSS

Differences in net losses for financial reporting and taxable losses to be reported by the partners arise principally from differences in the methods used in accounting for depreciation and capitalized construction period interest. The following is a reconciliation of reporting differences.

	Year ended December 31,	
	1983	1982
Net loss	\$162,150	\$87,144
Tax depreciation in excess of financial reporting amounts	17,934	11,223
Tax amortization of capitalized construction period interest in excess of financial reporting amounts	2,453	-0-
	TAXABLE LOSS	<u>\$182,537</u>
		<u>\$98,367</u>

Cumulative differences through December 31, 1983 are as follows:

Partnership equity for financial reporting purposes	\$51,158
Excess tax depreciation (cumulative)	(30,108)
Excess tax amortization of capitalized construction period interest (cumulative)	<u>(2,453)</u>
	PARTNERSHIP EQUITY ON A TAX BASIS AT DECEMBER 31, 1983
	<u>\$18,597</u>

NOTE H--PURCHASE OF INCOME-PRODUCING PROPERTY

In January 1983, the Partnership exercised its option to purchase the land and building at 262 West Genesee Street at a price of \$150,000. In 1982, operating expenses reflect \$31,067 in interest, taxes and maintenance on this property which constituted the rental charge to the Partnership under a one-year lease agreement.

To the Partners
Cornel Associates
Utica, New York

The 1983 unaudited financial statements of Cornel Associates (a Limited Partnership) and our review report thereon are presented in the preceding section of this report. The following 1983 financial information was subjected to the inquiry and analytical procedures applied in our review of the aforementioned financial statements. We are not aware of any material modifications that should be made to the following 1983 financial information for it to be fairly presented in all material respects in relation to the financial statements taken as a whole; however, it is not necessary for a fair presentation of the financial statements in conformity with generally accepted accounting principles.

The following financial information relating to the year ended December 31, 1982 was derived from financial statements which were reviewed by other auditors.

Syracuse, New York
March 16, 1984

DETAILS OF STATEMENTS OF CHANGES IN PARTNERS' CAPITAL (UNAUDITED)

CORNEL ASSOCIATES (a Limited Partnership)

Years ended December 31, 1983 and 1982

	General Partners		Limited Partners			
	Charles A. Gaetano	Brian A. Gaetano	Vincent Esposito	William C. Gaetano	Charles N. Gaetano	Total
Partners' capital (deficit) at January 1, 1982	\$ 13,665	\$(1,587)	\$18,199	\$(1,474)	\$(1,474)	\$ 27,329
Net loss for the year	<u>(43,572)</u>	<u>(6,100)</u>	<u>(26,143)</u>	<u>(5,665)</u>	<u>(5,664)</u>	<u>(87,144)</u>
PARTNERS' CAPITAL (DEFICIT) AT DECEMBER 31, 1982	(29,907)	(7,687)	(7,944)	(7,139)	(7,138)	(59,815)
Capital contributed-- cash		68,250	91,123	56,875	56,875	273,123
Net loss for the year	<u>(29,188)</u>	<u>(30,808)</u>	<u>(48,645)</u>	<u>(26,754)</u>	<u>(26,755)</u>	<u>(162,150)</u>
PARTNERS' CAPITAL (DEFICIT) AT DECEMBER 31, 1983	<u><u>\$(59,095)</u></u>	<u><u>\$29,755</u></u>	<u><u>\$34,534</u></u>	<u><u>\$22,982</u></u>	<u><u>\$22,982</u></u>	<u><u>\$ 51,158</u></u>

DETAILS OF EXPENSES (UNAUDITED)

CORNEL ASSOCIATES (a Limited Partnership)

	Year ended December 31,	
	1983	1982
ADMINISTRATIVE AND MANAGEMENT		
Leasing, administrative and accounting payroll	\$ 14,099	\$ 16,915
Advertising	2,787	2,190
Professional services	3,466	3,608
Data processing	206	-0-
Office expense	662	39
Telephone	421	232
	<u>21,641</u>	<u>22,984</u>
OPERATING		
Electricity	44,574	41,523
Gas	30,001	38,670
Oil	605	2,365
Water	2,516	4,612
Rent--301 Court Street	6,000	5,500
Rent--262 West Genesee Street	-0-	31,067
Other	<u>2,468</u>	<u>(399)</u>
	<u>86,164</u>	<u>123,338</u>
REPAIRS AND MAINTENANCE		
Maintenance and janitorial payroll	16,233	19,857
Repairs and supplies	3,912	14,412
Cleaning	8,545	14,217
Elevator	6,672	7,658
Trash and snow removal	<u>1,765</u>	<u>1,612</u>
	<u>37,127</u>	<u>57,756</u>
TAXES, INSURANCE, AND EMPLOYEE BENEFITS		
Real estate taxes	39,078	29,261
General insurance	6,300	8,110
Employee benefits	603	-0-
Payroll taxes	<u>4,440</u>	<u>-0-</u>
	<u>550,421</u>	<u>37,371</u>
INTEREST		
Construction loans	97,716	-0-
Less capitalized interest	<u>(29,436)</u>	<u>-0-</u>
	<u>68,280</u>	<u>-0-</u>
Other loans	<u>5,467</u>	<u>34,650</u>
	<u>73,747</u>	<u>34,650</u>
	<u><u>\$269,100</u></u>	<u><u>\$276,099</u></u>

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CORNEL ASSOCIATES
December 31, 1983

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• -TO FINANCIAL STATEMENTS

Trial Balance Worksheet

Current fiscal period: 12

Acct Code	Dept Code	Account Name	Trial Balance Debit	Credit	Adjustments Debit	Credit	Income Statement Debit	Credit	Balance Sheet Debit	Credit
100	1	CASH IN BANK-BANKERS TRUST	0.00	+	+	+	+	+	-	-
100	2	CASH IN BANK-KEY BANK	59,746.46	+	+	+	+	+	59,746.46	+
110	1	RENTS RECEIVABLE	1,366.18	+	+	+	+	+	1,366.18	+
120	1	PREPAID TAXES	0.00	+	+	+	+	+	-	-
121	1	PREPAID INSURANCE	0.00	+	10 1174.00	+	+	+	1174.00	+
130	1	LAND-258 GENESEE STREET	51,199.47	+	+	+	+	+	51,199.47	+
130	2	LAND-MAXWELL BUILDING	15,000.00	+	+	+	+	+	15,000.00	+
131	1	LAND-1012 PARK AVENUE	8,610.56	+	+	+	+	+	8,610.56	+
132	1	BUILDING - 258 GENESEE STREET	316,487.67	+	+	+	+	+	316,487.67	+
133	1	BUILDING IMPROVEMENTS-258 GEN.	1,083,517.16	+	10 544.95 13 415.00	11 91,600.00	+	+	- 1,033,962.11	+
134	1	BUILDING-MAXWELL HOUSE	121,500.00	+	10 9470.73 13 125.00	+	+	+	144,470.23	+
135	1	BUILDING IMPROVEMENTS-MAXWELL	6,409.30	+	+	+	+	+	6,409.30	+
136	1	TENANT IMPROVEMENTS-258 GEN.ST	8,000.00	+	+	+	+	+	8,000.00	+
137	1	DESIGN AND CONSULTING-258 GEN.	26,647.48	+	10 500.00	+	+	+	31,652.48	+
138	1	EQUIPMENT	0.00	+	10 1243.00 13 549.00	+	+	+	-	-
142	1	ACC. DEP. BUILDING-258 GENESEE	23,771.00	10 13 549.00	+	+	+	+	21,979.00	+
143	1	ACC. DEP. BUILD. IMP.-258 GEN.	1,116.57	10 21,321.60 13 37,517.45	+	+	+	+	17,302.00	+
144	1	ACC. DEP. BUILD.-MAXWELL HOUSE	4,050.00	10 2025.00 13 2791.00	+	+	+	+	4,816.00	+
145	1	ACC. DEP. BUILD. IMP.-MAXWELL	642.00	10 1.00	+	+	+	+	641.00	+
146	1	ACC. DEP.- TENANT IMP.-258 GEN	801.00	10 1.00	+	+	+	+	800.00	+
147	1	ACCUM. DEPREC.- <i>DESIGN & CONSULT.</i> EQUIPMENT	0.00	+	10 1188.00	+	+	+	1198.00	+
148	1	PREPAID REAL ESTATE TAXES	9,872.40	+	10 9872.40	+	+	+	-	-
150	1	ORGANIZATIONAL COSTS	6,422.98	+	10 120.00	11 120.00	+	+	6,302.96	+
139		CAPITALIZED CONST. PERIOD INTEREST			10 29,436.19				29,436.19	+
140		CONST. IN PROGRESS-258 Gen			10 91,600.00				91,600.00	+
141		ACC. DEPREC -CAPITALIZED INCORRECT			11 491.00				491.00	+

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CORNEL ASSOCIATES

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December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
151	1	DEFERRED MORTGAGE CLOSING COST	48,171.81			(1) 10,018.19			38,153.62	X
	+									
201	1	MORTGAGE PAYABLE - KEY BANK		1,176,500.00						1,176,500.00
	+									
202	1	MORTGAGE PAYABLE - E.R.P.		39,165.99						39,165.99
	+									
202	2	MORTGAGE PAYABLE-E.R.P.		50,000.00						50,000.00
	+									
203	1	NOTE PAYABLE - BANKERS TRUST	0.00							109,000.00
	+									
203	2	NOTE PAYABLE-C.A.G.		109,000.00						109,000.00
	+									
203	3	NOTE PAYABLE-C.A.G.		109,000.00						109,000.00
	+									
204	1	MORTGAGE PAYABLE-EVELYN PORTER	271.76			(2) 211.76				-0-
	+									
205	1	ACCRUED EXPENSES		41,412.08	(3) 2000.00	(1) 1732.14				41,444.21
	+									
206	1	ACCOUNTS PAYABLE		12,217.26		(4) 5005.00				17,222.26
	+									
210	1	DUE TO AFFILIATES	0.00							34,792.65
	+									
210	2	DUE TO GAETANO PROPERTY MANAGE		34,792.65						41,500.00
	+									
210	3	DUE TO LAKWOOD CONSTRUCTION	0.00			(5) 41,500.00				76,855.00
	+									LAKWOOD
211	1	RETENTION PAYABLE		76,855.00						
	+									
215	1	SECURITY DEPOSIT-MAXWELL REST.	0.00							-0-
	+									
300	1	CAPITAL - CAG	29,907.53							29,907.53
	+									
301	1	CAPITAL - BAG		60,563.00						60,563.00
	+									
302	1	CAPITAL - V. ESPOSITO		69,678.00		(6) 12,500.00				83,178.26
	+									
303	1	CAPITAL - WCG		49,737.00						49,737.00
	+									
304	1	CAPITAL - CNG		49,737.00						49,737.00
	+									
305	1	CAPITAL LOAN - CAG		25,000.00						25,000.00
	+									
306	1	CAPITAL LOAN - V. ESPOSITO		25,000.26	(7)	26				25,000.00
	+									
307	1	PARTNERS' PROFIT/LOSS - CAG	0.00							
	+									
308	1	PARTNERS' PROFIT/LOSS - BAG	0.00							
	+									
309	1	PARTNERS' PROFIT/LOSS - VE	0.00							

51873

102,497.72
1762,481.42
1,81,821.00
1,064,662.27
1,864,977.14
1,864,979.13
1,864,979.13
1,864,979.13

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December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance	Adjustments	Income Statement	Balance Sheet
			Debit	Credit	Debit Credit	Debit Credit
310	1	PARTNERS' PROFIT/LOSS - WCG	0.00			
	+		+	+	+	+
311	1	PARTNERS' PROFIT/LOSS - CNG	0.00			
	+		+	+	+	+
400	1	RENTAL INCOME - 258 GENESEE		119,186.16		119,186.16
	+		+	+	+	+
400	2	RENTAL INCOME - MAXWELL HOUSE		-4,455.64		4,455.64
	+		+	+	+	+
400	3	RENTAL INCOME - PARKING LOT		8,569.00		8,569.00
	+		+	+	+	+
400	4	RENTAL INCOME - 301 COURT ST.		7,200.00		7,200.00
	+		+	+	+	+
402	1	OTHER INCOME - 258 GENESEE ST		-4,000.00		4,000.00
	+		+	+	+	+
402	2	OTHER INCOME - MAXWELL HOUSE	0.00			
	+		+	+	+	+
402	3	OTHER INCOME - PARKING LOT	0.00			
	+		+	+	+	+
402	4	OTHER INCOME - 301 COURT ST.	0.00			
	+		+	+	+	+
500	1	ELECTRICITY - 258 GENESEE ST.	42,215.03			42,215.03
	+		+	+	+	+
500	2	ELECTRICITY - MAXWELL HOUSE	1,932.10			1,932.10
	+		+	+	+	+
500	3	ELECTRICITY - PARKING LOT	423.87			423.87
	+		+	+	+	+
500	4	ELECTRICITY - 301 COURT ST.	3.28			3.28
	+		+	+	+	+
501	1	GAS - 258 GENESEE ST.	29,773.34			29,773.34
	+		+	+	+	+
501	2	GAS - MAXWELL HOUSE	227.07			227.07
	+		+	+	+	+
502	1	WATER - 258 GENESEE ST.	2,200.43			2,200.43
	+		+	+	+	+
502	2	WATER - MAXWELL HOUSE	307.94			307.94
	+		+	+	+	+
502	4	WATER - 301 COURT ST.	7.38			7.38
	+		+	+	+	+
503	1	TELEPHONE - 258 GENESEE ST.	421.14			421.14
	+		+	+	+	+
504	2	OIL - MAXWELL HOUSE	604.67			604.67
	+		+	+	+	+
504	4	OIL - 301 COURT ST.	0.00			
	+		+	+	+	+
505	1	REAL ESTATE TAXES-258 GENESEE	21,827.33	⑥ 1234.63		29,061.96
	+		+	+	+	+
505	2	REAL ESTATE TAXES-MAXWELL	5,281.19	⑥ 1398.70		6,679.89
	+		+	+	+	+
505	3	REAL ESTATE TAXES-PARKING LOT	1,354.72	⑥ 467.28		1,877.00
	+		+	+	+	+

115,680.10 143,410.50

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CORNEL ASSOCIATES

Page: 4

December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
505	4	REAL ESTATE TAXES-301 COURT ST	742.27		(6) 711.79		1514.06	1-662		
506	1	ELEVATOR - 258 GENESEE ST.	6,671.83				6671.83			
507	1	REPAIRS/MAINT.-258 GENESEE ST.	1,242.27				1242.27			
507	2	REPAIRS/MAINT.-MAXWELL	230.33				230.33			
507	3	REPAIRS/MAINT.- PARKING LOT	0.00							
507	4	REPAIRS/MAINT.- 301 COURT ST.	0.00							
508	1	SUPPLIES - 258 GENESEE ST.	2,366.07				2366.07			
508	2	SUPPLIES - MAXWELL HOUSE	73.06				73.06			
508	4	SUPPLIES - 301 COURT ST.	0.00							
509	1	CLEANING - 258 GENESEE ST.	13,399.68		(16) 4854.45		8545.73			
509	2	CLEANING - MAXWELL HOUSE	0.00							
509	4	CLEANING - 301 COURT ST.	0.00							
510	1	SALARIES - 258 GENESEE ST.	12,946.75		(16) 12946.75		0			
510	2	SALARIES - MAXWELL HOUSE	21.45		(16) 21.45		0			
510	3	SALARIES - PARKING LOT	0.00							
510	4	SALARIES - 301 COURT ST.	0.00							
511	1	PAYROLL TAXES	0.00		(6) 1552.64		439.96			
512	1	ADVERTISING - 258 GENESEE ST.	2,655.04		(6) 913.16		2655.04			
512	2	ADVERTISING - MAXWELL HOUSE	132.26		(6) 1414.16		132.26			
512	3	ADVERTISING - PARKING LOT	0.00				1414.16			
512	4	ADVERTISING - 301 COURT ST.	0.00							
513	1	TRASH & SNOW REMOVAL - 258	1,765.11				1765.11			
513	2	TRASH & SNOW REMOVAL - MAXWELL	0.00							
513	3	TRASH & SNOW REMOVAL - PK. LOT	0.00							
513	4	TRASH & SNOW REMOVAL - COURT	0.00							

29635.v

te: Dec 31 83

CORNEL ASSOCIATES

Page: 5

December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance	Adjustments	Income Statement	Balance Sheet		
			Debit	Credit	Debit	Credit	Debit	Credit
515	1	INTEREST - KEY BANK	100,208.15	+ ⑩ 29,436.19	- 70,771.96	+ +	+ +	+ +
515	2	INTEREST - BANKERS TRUST MAX.	7.30	+ ⑨ 7.30	- 0	+ +	+ +	+ +
515	1A	INTEREST - PORTER	193.93	+ ⑤ 193.93	- 0	+ +	+ +	+ +
515	1B	INTEREST - ERP(UTICA)	2,974.64	+ +	- 2974.64	+ +	+ +	+ +
515	1C	INTEREST - KEY BANK OF C.N.Y.	0.00	+ +	- 73,746.60	+ +	+ +	+ +
516	1	INSURANCE - 258 GENESEE	5,198.76	D 525.16 ⑦ 558.13	- 5756.59	+ +	+ +	+ +
516	2	INSURANCE - MAXWELL HOUSE	36.40	D +	- 36.40	+ +	+ +	+ +
518	4	RENTAL EXPENSE - 301 COURT ST.	6,000.00	+ +	- 6000.00	+ +	+ +	+ +
520	1	LEGAL & ACCOUNTING	4,043.24	+ +	- 2000.00	- 2043.24	+ +	+ +
521	1	PROFESSIONAL & OTHER SERVICES	1,359.50	+ ④ 63.00	- 1422.50	+ +	+ +	+ +
522	1	TRAVEL & ENTERTAINMENT	115.40	+ ⑥ 157.72	- 273.12 MISC	+ +	+ +	+ +
523	1	ORGANIZATIONAL EXPENSE	0.00	+ +	+ +	+ +	+ +	+ +
524	1	OFFICE EXPENSE	590.95	+ ⑥ 71.18	- 662.13	+ +	+ +	+ +
525	1	EQUIP. RENTAL - 258 GENESEE ST	112.38	+ +	- 142.38 MISC	+ +	+ +	+ +
525	2	EQUIP. RENTAL - MAXWELL HOUSE	0.00	+ +	+ +	+ +	+ +	+ +
525	3	EQUIP. RENTAL - PARKING LOT	0.00	+ +	+ +	+ +	+ +	+ +
525	4	EQUIP. RENTAL - 301 COURT ST.	0.00	+ +	+ +	+ +	+ +	+ +
526	1	EVICTION/COLLECTION EXPENSE	0.00	+ +	+ +	+ +	+ +	+ +
527	1	OTHER OPERATING EXPENSES - 258	1,422.21	+ ② 472.99	- 1895.20 MISC	+ +	+ +	+ +
527	2	OTHER OPERATING EXPENSES-MAXW.	187.29	+ +	- 187.29 MISC	+ +	+ +	+ +
530	1	DEPRECIATION - 258 GENESEE ST	12,634.57	+ (3) 26968.43 (1) 20,881.00	- 28,722.00	+ +	+ +	+ +
530	2	DEPRECIATION-MAXWELL	4,478.00	+ ⑩ 2790.00 (3) 2025.2	- 5893.00	+ +	+ +	+ +
531	1	AMORTIZATION-MORTGAGE/ORGAN.	2,435.52	+ ③ 60.03	- 2495.55	+ +	+ +	+ +
532	1	DEPRECIATION - EQUIPMENT	0.00	+ +	+ +	+ +	+ +	+ +
533	1	MANAGEMENT FEES	18,495.00	+ ⑥ 18495.00	- 0	+ +	+ +	+ +

309,318.85

173,410.82

166,172.92

Date: Dec 31 83

CORNEL ASSOCIATES

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December 31, 1983

Trial Balance Worksheet

Acct Code	Dept Code	Account Name	Trial Balance		Adjustments		Income Statement		Balance Sheet	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
			2,102,449.61	2,102,449.61						
		Total of Income and Expense Accounts Listed	165,908.05							

123 accounts listed.

EDP

Other E&E Invoiced

JBL Invoiced

Workers comp.

Acct'g salaries

Leasing & Admin salaries

Maint & admin "

Maint wages

Janitorial wages

⑧ 205.71

205.71 ✓

⑧ 603.06

603.06 ✓

⑧ 127.41

127.41 ✓

⑧ 379.94

379.94 ✓

⑧ 9648.35

9648.35 ✓

⑧ 4451.07

4451.07 ✓

⑧ 3117.27

3117.27 ✓

⑧ 8640.87

8640.87 ✓

⑧ 4475.11

4475.11 ✓

Do or

This pg

31,648.79

803 115,680.10 143,410.80

4 29,635.77

5 166,127.92

343,092.03 143,410.80

143,410.80

199,681.23

12-31-83

PREPAID R.E. TAXES

Date	Accountant	Reviewed By	Work Paper
		X	84

1	2	3	4	5	6	7	8	9	10
PAYER	TEAM								
1 VEGA CITY SCHOOL DISTRICT	7/1/82 - 6/30/83								
2 " " "	7/1/83 - 6/30/84								
3									
4									
5									
6 COUNTY TAX	1/1/82 - 12/31/82								
7 " "	1/1/83 - 12/31/83								
8									
9									
10 CITY & VEGA (City Taxes)	4/1/82 - 3/31/83								
11 " " " "	1/1/83 - 3/31/84								
12									
13									
14									
15									
16									
17									
18 Beginning in 1982 - Prepaid is expense R/E Taxes as billed (unaudited) in lieu of deducting notably over paid taxes. 1983 and treatment after adjustment, Conforms to 1982 - no significant diff effect from year to year.									
19									
20									
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30									
31									
32									
33									
34									
35									
36 X - Moved to accrued expense account. Taxes have not yet been received therefore, all treated for cont. - therefore accrued in accordance with having been paid on last day of period to									
37									
38									
39									
40									
41									
42									
43									
44									

(1) Difference is penalties / interest - no adjustment

Penalties & Int.

280,738

987,336

29,265.51

98,324.00

(1) 1/1/83 (3)

04/22

390,778.7

7/2

CLIENT

M. Miller

Prepared By

Approved By

Initials

Cornel
 Prepaid Real Estate Taxes
 12-31-83

9872.40

	(1)	(2)	(3)	(4)
City - 258-260 Genesee				250888
~ 262 Genesee				485.05
~ 301 Court				257.24
307 Court				1673
King St				870
1012 Park Ave				14702
School - 258-260 Genesee				472575
262 Genesee				913.65
301 Court				484.55
307 Court				31.51
King St				1639
1012 Park Ave				276.93
<u>Expensed by ATE #6</u>				(9872.40)
				-0-

NAME _____

NAME _____

ADDRESS _____

ADDRESS _____

CITY _____

STATE _____

ZIP _____

DETACH AND RETURN TO BANK



CLIENT
M-11/84
X-3/11/84

Total and personal banking convenience goes where you go.

THIS FORM PROVIDED TO HELP YOU
BALANCE YOUR BANK STATEMENTCHECKS OUTSTANDING - NOT
CHARGED TO ACCOUNTMONTH 19

LAKWOOD
CAG Construction
Bond, Schoenck, King
Edmund Booth

NO.	<u>110</u>	<u>✓ \$10017.16</u>
	<u>111</u>	<u>✓ 321500</u>
	<u>112</u>	<u>✓ 14893.48</u>
	<u>113</u>	<u>✓ 10610.00</u>

BANK BALANCE SHOWN
ON THIS STATEMENT \$ 89,625.85

ADD +

DEPOSITS IN THE MAILED THE
BANK HAS NOT RECEIVED
(IF ANY) \$ _____

TOTAL \$ _____

SUBTRACT -

CHECKS OUTSTANDING \$ 29,771.64

BALANCE \$ 58,854.21
 + \$ 872.25 K
dep'n trans
59,746.46
✓ ok 7/28

✓ - Posts

✓ - Traced to clearing in Jan '84

✗ - Traced to 1/84 Bank Statement

	Initials	Date
Prepared By		
Approved By		

Caron
Rents Receivable
12-31-83

CLIENT
M. M. M.
X/31/84

LINE NO.		(1)	(2)	(3)	(4)
		Total	Current	30-60	over 60
1	First Albany	112381	X 112381		
2					Electric usage on computer from 4/1/83 - 12/31/83. Bill Jan '84
3	St Thomas More Mission	24237	X 24237		
4		136618	136618		Electric Nov. Dec Billed Jan '84
5			W 718		
6					
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43					

VV - Foots

X - Traced to Billing statements - Jan '84

CORNELL

ASSOCIATES

- 1) WTB (12/31/83)
- 2) ADJUSTMENTS
- 3) W/P's

ANY QUESTIONS

CALL

472-7345

Mahr

CORNELL ASSOCIATES

12-31-83

PREPAID INSURANCE

Date	Prepared By	Work Paper No.
Reviewed By		

J 3/1/84

3/1/84

POLICY TERM 4-11-83 to 4-11-84

PREPAID
12/31/83ACCURED
12/31/83INSURANCE
EXPENSE

1	2	3	4
1	ORIGINAL PREMIUM	7647.10	(7647.10)
2	PAYMENT 1/63		910.00
3	PAYMENT 6/63		1797.10
4	5/6/83 CREDIT	(6500.00)	6500.00
5	4/ CHARGE	650.00	(650.00)
6			
7	4/63 CHARGE	650.00	(650.00)
8			
9	7/63 ENDORSEMENT	1040.00	(1040.00)
10	CHARGE	650	(650.00)
11			
12	8/63 ENDORSEMENT (credit)	(1832.00)	1832.00
13	CHARGE	796.00	(796.00)
14	PAYOUT 8/63		650.00
15			
16	9/63 CHARGE	799.00	(799.00)
17			
18	10/63 CANCELLATION	(4569.94)	4569.94
19	CHARGE	3995.00	(3995.00)
20			
21	12/63 ENDORSEMENT	790.00	(790.00)
22	PAYOUT 12/63		1878.06
23	ENDORSEMENT (credit)	(419.00)	419.00
24	REVISED PREM (See Attached)		(1361.13) 1361.13
25			
26	① 4696.16	(1732.00)	
27	② 12		
28	39134		
29	V 9 mos		
30	② 3522.06		3522.06
31	R		
32			
33			
34	① ②		(see attached)
35	11740.00	(1732.00)	5793.27
36	-0-	-0-	5235.15
37	11740.00	(1732.00)	5581.15
38			
39			
40			
41	* There was no prepaid provision @ 12-31-82. The provision		
42	should have been \$910.00. This amount will be expensed in		
43	1983; and a prepaid will be set up @ 12-31-83 for		
44	\$1174.10.		
45			
46			
47			
48			
49			
50			

CARRY FORWARD

150 ORGANIZATION COSTS -- AMORTIZABLE

Date 1/8/84	Accountant J	Work Paper No.
Reviewed By		

A/C #

LIFE METHOD

COST

1981

1982

1 150 ORGANIZATION COSTS

2 1981 INCURRED

5YR SL

1080492 1mo 180-

216098

3 AMORT - 1981

(18000)

4 BAL 12/31/81

1062492

5 AMORT - 1982

(216098)

6 BAL 12/31/82

846394

7 AMORT - 1983

(216098)

8 BAL 12/31/83

716 630296

9

10

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1983

1984

1985

1986

216098

216098

216098

198100

CORNEL ASSOCIATES
CARRY FORWARD
CAPITALIZED CONSTRUCTION
PERIOD INTEREST - TAX BOOK

Date 4/9/84	Prepared By	Work Paper No.
	Reviewed By	

	1	2	3	4
1 Capitalized - 1983	1913619	2945619		
2 1983 (Intrest. / Deprec.)	(294480)	(49100)		
3 Bal 12/31/83	3647219	2894519		
4				
5				
6				
7				
8				
9				
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TAX BOOK

1913619	2945619
(294480)	(49100)
3647219	2894519

A

CORNEL ASSOCIATES

 CASH/ FORWARD
 CALCULATION OF CONST. PERIOD INTEREST,
 TAXES, DEPREC. & ITC.

 Date **4/19/84**
 Accountant **X**
 Work
Paper
No.
 Reviewed By

	Total CONTRACT	#1 thru #6 (4/10/82 to 4/13/83)	#7 (4/17/83)	#8 (4/25/83)
LAKWOOD REQUISITIONS:				
1. HVAC	530,000	463,500		36,500
2. WINDOWS	200,000	21,000	129,000	25,000
3. ELECT DIST.	100,000	80,000		
4. LIGHT FIXTURES	50,000	32,000		
5. BRICK	20,000			
6. SIDEWALK	15,000			
7. GENERAL CONDITIONS	120,000	60,000	15,000	7,000
8. STAIRWAYS	18,000			
9. BATHROOM	8,500			
10. CORRIDORS	69,000	48,500		
11. SUITE DOORS	45,000	26,000		7,000
12. LIBBY AREA	43,500	40,500	3,000	
13. TRD. REOV.	29,000	42,500	4,500	1,000
14. ELEV. TREATMENT	10,000	1,000		
15. DESIGN COLLECTIVE / ALMY WEINRICH	153,700	58,500	151,500	82,500
16. MISC	544.95	544.95		
17. MISC		824,067.45	151,956	82,500

20. BANK DRAWS AGAINST				
21. \$1,700,000 MTG COMMITMENT:				
22. Jan 31, 83 Adv @ Closing	350,000			
23. " 21, 83 Req #1	113,500			
24. Feb 29, 83 #2	144,500	97,700		
25. MAR 25, 83 #3	100,000			
26. APR 28, 83 #4	9,200			
27. MAY 25, 83 #5	78,000			
28. JUN 27, 83 #6	100,000			
29. Avg 9, 83 #7	112,500			
30. Avg 25, 83 #8	62,000			
31. Oct 3, 83 #9	25,000			
32. Rec'd to 12/31/83	117,650	97,700	112,500	62,000
33. To come	523,500	97,700	112,500	62,000
34. Total	1,700,000	977,000	112,500	62,000

31. 50% of above *not included in 12/31/83* as it was under construction *with completion date of 2/28/84*

	INTEREST PAID: (Prime + 1% FLOATING)	INT. T. DIS/3.125%
1. J	12%	-0-
2. F	11%	-0-
3. MAR 1, 83	11%	42,500 (3125)
4. APR 6, 83	11%	60,700 (2995)
5. MAY 5, 83	11%	56,364.97 (2995)
6. JUN 3, 83	11%	72,366.66 (3495)
7. JUL 1, 83	11%	85,073.34 (2995)
8. AUG 5, 83	11%	92,033.4 (2995)
9. SEPT 8, 83	11%	105,950.00 (3125)
10. OCT 5, 83	11%	108,957.0 (3125)
11. NOV 4, 83	11%	117,926.7 (3125)
12. DEC 14, 83	11%	117,650.0 (3125)
13. JAN 4, 84 APPROVED	11%	117,649.92 (3125)
14. FEB 1, 84	12%	977,117.19 (33725)
15. MARCH 1, 84	12%	31,725 (33725)

\$12,500 @ 1% for 11 mos. Period Expense **(33725.00)**
 13% CALC. CONSTRUCTION PERIOD INTEREST **63,993.19**

PLACED IN SERVICE					1983 ACR S 10% CREDIT ADJUSTED BASIS ITEM CLAIMED	1983 AMOUNT
#9 (10/3/83)	#10 (1/5/84)	Total BILLED	BALANCE	DATE		
750.0	1500	500000	50000	1/1/83	1 HVAC	500000
		182500	17500	1/1/83	2 WINDOWS	182500
		12500	12500	1/1/83	3 GLOB. DISP.	80000
		320000	10000	1/1/83	4 LIGHT FIX	320000
		10000	-	6		
		15000	-	7 GEN. ITEMS 62%	74400	59,510
		-	10000	8		
		6000	95000	9		
		35000	25000	10 COGR. BO. 3	33600	3,190
		30000	25000	11 2nd BLDG	20800	693
		42500	0	12 LIBBY HALL	43500	967
		100000	-	13 TENANT RELAT.	97500	38,000
		25000	75000	14 ELEV. TRACT	3100	107
		100000	-	15	1031900	201,380
		41500	103500	16	1398350	11,180,70
		5005	1398350	17	54495	103,970
		51495		18	104647845	209,285,69
		530000	113802845	19		
				20		
				21 1398350		
				22 COSTS PLACED IN SERVICE	957500	= 62% complete (use for gen. conditions)
				23 PLACED IN SERVICE	1537000	
				24		
				25 1000000		
				26 10/6/82 845		
				27 91400000 CONST. IN PROGRESS		
				28 113802845		
				29		
				30		
				31		
				32		
				33 RECAP: KEY BANK INTEREST		CAPITALIZE 10% 62810.00
				34		1 CONSTRUCT 10% 62810.00
				35		2 TOTAL EXPENSE 62810.00
				36 TAID OR PAYABLE	9771719	
				37 312500 EXPENSE	(3372500)	3372500
				38 INCURRED SUBSEQ. ON ASSETS PLACED		
				39 10/3/83 SERVICE	(3455600)	3455600
				40 3075 EXPENSE	2943619	
				41 264149 PLACED IN SERVICE	(294362)	294362
				42 424466 GROSS	26449257	
				43 551234 10/3/83 13.32%	(26449257)	26449257
				44 909934 21/07/83 12%	-0-	21/07/83
				45 503100 27/3/83 12.4%	243685	243685
				46 154370 32/1/83 12.2%	621673	621673
				47 74067 8/2/83 12.1%	794718	794718
				48 71300 11/2/83 12.0%	7927	7927
				49 71299 11/6/83 11.9%	7927	7927
				50 2943619		

CORNER ASSOCIATES

12-31-83

ADJUSTMENTS

Date	Prepared By	Work Paper No.
	Reviewed By	

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

	AC #	DR	CR	PROFIT / LOSS
1	Re Preliminary T/B			(165908.35)
2	① Prepaid Insurance	1121-1	1174.00 ✓	173213
3	Accrued Expenses	205-1	✓	37123
4	Insurance Expense	516-1	558.13 ✓	(558.13)
5	To set up prepaid ins and record expense of accrued at actual			
6				
7				
8	12-31-83			
9				
10	② Improvements - 258 Due To Lakewood	133-1	41500.00 ✓	
11		210-3	✓ 41500.00	-0-
12	To record requisition rec'd from Lakewood on 14/64 for improvements done during			
13	1983.			
14				
15				
16				
17	③ Depreciation - 258	530-1	3696.843 ✓	
18	Acc. Dep. - Max. Bldg	144-1	2025.00 ✓	
19	Acc. Dep. - 258 Bldg.	142-1	549.00 ✓	
20	Acc. Dep - 258 Imp	143-1	✓ 37517.43	
21	DEPREC - MAXWELL	530-2	✓ 2025 -	(34943.43)
22	To record depreciation at actual per paper schedule			
23				
24	258 Oldg Maxwell Bldg	132-1	544.95 ✓	
25	④ Professional Services	137-1	9770.23 ✓	
26	Amortization	521-1	63.00 ✓	
27	Organizational Costs	531-1	60.03 ✓	
28	Deferred Mkt. Costs	150-1	✓ 1200.00	
29	To adjust deferred mkt. costs to actual	151-1	✓ 10018.19	(1230.3)
30				
31	12-31-83			
32				
33	⑤ Other Operating Expenses	807-1	472.79 ✓	
34	Mkt. Payable - Porter	204-1	✓ 271.76	
35	Interest - Porter	518-1A	✓ 193.93	
36	Interest - Dancers Trust	520-1A	✓ 7.80	(271.76)
37	To who are payment on Porter loan. Payment was made after early payoff figure			
38				
39	was established			
40				
41	⑥ Prepaid Taxes	148-1	✓ 98724.0	
42	R/E Taxes - 258 Gen	505-1	7234.63 ✓	
43		505-2	139.870 ✓	
44	- Maxwell	505-3	467.28 ✓	
45	- Parking lot	505-4	721.79 ✓	(98724.0)
46	- 301 Court St			
47	To expense R/E Taxes consistent with prior yr audit'g policy			
48				
49				
50				

Cornell Associates

12-31-83

Adj's

Date	Prepared By	Work Paper No
3/1/84	<i>[Signature]</i>	
Reviewed By		

	A/C #	De	Cr	Profit (Loss)
1	Balances forward			(21167680)
2	⑦ Billings - Improvements ✓ 133-1	500500 ✓		
3	Customer Payable ✓ 106-1		500500	- 0 -
4	to record Design Collection revenue			
5	⑧ Mgmt fees) ✓ 533-3		✓ 1849500	
6	Salaries ✓ 510-1		✓ 1294675	
7	" ✓ 510-2		✓ 2145	
8	Cleaning ✓ 509-1		✓ 485445	
9	Maint and admin salaries ✓ New A/c 510-5	311727 ✓		
10	Maint wages ✓ 510-6	864087 ✓		
11	Janitorial ✓ 510-7	447511 ✓		
12	Payroll taxes ✓ 511-1	191416 ✓		
13	Payt'g salaries ✓ New A/c 510-8	964835 ✓		
14	Leasing & admin salaries ✓ 510-9	445107 ✓		
15	Payroll taxes - FICA ✓ 511-1	155264 ✓		
16	Payroll FUTA/SUTA ✓ 511-1	97316 ✓		
17	Workers Comp. ✓ New A/c 510-10	37994 ✓		
18	dbl vision. ✓ New A/c 510-11	12741 ✓		
19	Other EE vision. ✓ New A/c 510-12	60306 ✓		
20	Office supplies ✓ 521-1	7118 ✓		
21	✓ 522-1	15772 ✓		
22	EDP ✓ New A/c 510-13	20571 ✓		
23	to redistribute			- 0 -
24	⑨ Cancelled expenses ✓ 205-1	200000 ✓		
25	Legal and audit ✓ 520-1		✓ 200000	2000000
26	to reduce monthly provision			
27	⑩ Capitalized Const. Princ. ✓ 139-1 (new)	2943619 ✓		
28	Interest - Key Bank ✓ 510-1 (new)		✓ 2943619	2943619
29	to Capitalize (Const prnc) interest (new)			
30	workshop.			
31	Accr'd depreciation - Cap. Int. ✓ 141-1 (new)	✓ 49100		
32	✓ 140-1 (new)			
33	Interest - Key Bank ✓ 510-1 (new)			
34	to Capitalize (Const prnc) interest (new)			
35	workshop.			
36	Accr'd depreciation - Cap. Int. ✓ 141-1 (new)	✓ 49100		
37	✓ 140-1 (new)			
38	✓ 143-1			
39	Accr'd depreciation - 258 Gen ✓ 142-1	✓ 124300		
40	Accr'd depreciation - Impairment ✓ 143-1	✓ 2137600		
41	Accr'd depreciation - Maxwell ✓ 144-1		✓ 279100	
42	Accr'd depreciation - Maxwell Impair. ✓ 145-1	✓ 100		
43	Accr'd depreciation - Tenant - 258 ✓ 146-1	✓ 100		
44	Accr'd depreciation - damage/cost ✓ 147-1		✓ 119800	
45	Deprec. - 258 Gen ✓ 530-1		✓ 2038100	
46	Deprec. - Maxwell ✓ 530-2	✓ 2199000		1809100
47	to record adjustment to company book to tax			
48	depreciation and agree to lease schedule			
49				
50				

(16214961)

Cornel Associates

1983

Adj's

Date 4/9/84	Prepared By <u> </u>	Work Paper No.
Reviewed By		

		1	2	3	4
		A/C #	DR	CR	Profit (Loss)
1	Balance forward				(16214961)
2					
3	(12) Capital A/c - V.E. ✓	302-1		✓	26
4					
5	Capital loan - V.E. ✓	306-1	✓		- 0 -
6					
7	(13) Net Profit				
8					
9					
10					
11	(14) Maybell Bellay	✓ 134-1	1350000 ✓		
12	Capital A/c V.E.	✓ 302-1		✓ 1350000	- 0 -
13	to credit V.E with disappmnt made				
14	to Allowance				
15					BOOK LOSS (16214961)
16					
17					
18					
19	Tax over book - Deprec				(1793400)
20	Tax over book w/o of const period interest				(245300)
21					TAX LOSS (18253661)
22					
23					
24	Converting liability	137-1		500500	
25		133-1			500500
26					
27					
28		515-1		2943619	
29		515-1			2943619
30					
31					
32					
33					
34					
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GAETANO ASSOCIATES

INCOME STATEMENT

	<u>MONTH OF JANUARY, 1982</u>		<u>YEAR TO DATE</u>	
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>
LEASE REVENUE:				
Base Rent	\$100,797.49	\$ 99,542.00		
Billed Utilities	16,559.31	16,144.00		
Billed Taxes				
Billed CAM Costs	4,453.20	8,130.00		
Billed Repair/ Maintenance				
Percentage Rents	358.31	723.00		
Other Income	<u>4,104.53</u>	<u>1,900.00</u>		
Total Lease Revenue:	\$126,272.84	\$126,439.00		
MALL OPERATING COSTS:				
Heating (Gas)	\$ 24,065.11	\$ 25,000.00		
Electric	21,515.41	23,000.00		
Water	6,815.39	2,000.00		
Real Estate Taxes	6,666.00	6,500.00		
Travel/Incidental	504.50			
Mall Administrative				
Salaries	1,200.00	1,200.00		
Bldg. Maintenance Wages	<u>3,648.91</u> +20%	3,093.00		
Other Wages	642.69	632.00		
P/R Fringes	1,516.62	1,471.00		
CAM - Wages	1,915.49	2,960.00		
CAM - Operating				
Supplies	1,093.87	1,001.00		
CAM - Security	<u>2,790.08</u>	2,598.00		
CAM - Contracted Out	1,964.91	3,588.00		
CAM - Equipment/ Leased Auto	912.25	463.00		
CAM - Other				
Vacation/Holiday Pay				
Bldg. Maintenance:				
Material	613.00	2,239.00		
Contract. Labor	322.02	1,038.00		
Expendable Tools				
Freight				
Miscellaneous Expense	<u>195.40</u>			
Total Mall Operating Costs:	\$ 76,381.65	\$ 76,783.00		

533218

INCOME STATEMENT

MONTH OF JANUARY, 1982

ACTUAL BUDGET

YEAR TO DATE
ACTUAL BUDGET

ADMINISTRATIVE EXPENSES:

Partners Draw - BAG	\$ 2,400.00	\$ 2,400.00
Partners Draw - CG	2,000.00	2,000.00
Partners Draw		
Partners Draw		
Partners Draw		
Management Charges		
Administrative		
Salaries	4,377.14	4,700.00
P/R Taxes - FICA	913.22	1,040.00
P/R Taxes - FUTA/ NYS Unemployment	361.20	240.00
Workman's Comp.		
Insurance	568.00	250.00
Disability Ins.	55.10	18.00
Other Employee Ins.	687.66	800.00
Fringe Benefits		
Allocated	(1,516.62)	(1,471.00)
Advertising	270.64	2,000.00
General Ins.	1,653.00	1,585.00
Rental Expense		
Dues & Subscriptions	250.00	200.00
Educational Expense		100.00
Legal	1,357.51	500.00
Accounting	500.00	500.00
Other Professional fees	1,712.43	
Office Supplies	2,210.07	500.00
Data Processing	(109.00)	100.00
Postage	440.00	200.00
Telephone	970.01	1,000.00
Travel & Entertainment	638.54	830.00
Contributions		
Misc. Expense		
Provision for Bad Debts		
Interest Expense - ONB	9,763.57	8,075.00
Interest Expense - MORECO	1,905.37	1,905.00
Interest Expense - Other	1,258.77	1,042.00
Depreciation	10,443.00	10,300.00
Amort.-Mortgage Costs	220.00	220.00
Contract Income		
Other Income		
Total Administrative and General:	\$43,329.61	\$39,034.00
PROFIT (LOSS) - CURRENT:	<u>\$ 6,561.58</u>	<u>\$10,622.00</u>

CharlesTown

FACTORY OUTLETS CENTER

A GAETANO ASSOCIATES DEVELOPMENT • 311 TURNER STREET, UTICA, NEW YORK 13501 • 315-724-8175

INCOME STATEMENT

REVENUE:

Rent and other Income from Tenants	\$1,584,588
---------------------------------------	-------------

EXPENSES:

Gas, Electricity and Water	\$340,000
Salaries & Related Expenses	270,000
Real Estate Taxes	67,200
Maintenance & Common Area,	
Security	84,000
Insurance	36,000
Telephone	13,200
Office Expense	6,000
Professional Fees	24,000
Advertising	12,000
Travel and Entertainment	10,800
Miscellaneous	2,400

Total Operating Expenses:	<u>(\$865,600)</u>
---------------------------	--------------------

Net Income Available for Debt Service	<u>\$ 718,988</u>
---------------------------------------	-------------------

533219

CharlesTown

FACTORY OUTLETS CENTER

A GAETANO ASSOCIATES DEVELOPMENT • 311 TURNER STREET, UTICA, NEW YORK 13501 • 315-724-8175

INCOME STATEMENT

REVENUE:

Rent and other Income from Tenants	\$1,584,588
---------------------------------------	-------------

EXPENSES:

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Salaries & Related Expenses	270,000
Real Estate Taxes	67,200
Maintenance & Common Area,	
Security	84,000
Insurance	36,000
Telephone	13,200
Office Expense	6,000
Professional Fees	24,000
Advertising	12,000
Travel and Entertainment	10,800
Miscellaneous	<u>2,400</u>

Total Operating Expenses:	<u>(\$865,600)</u>
---------------------------	--------------------

Net Income Available for Debt Service	<u>\$ 718,988</u>
---------------------------------------	-------------------

(1)

Accounts Payable Aging
Operations
February, 1982

		1	2	3	4	5	6
		Total	30 days	60 days	90 days	over 90 days	credit
1	A - Misc.	50887	50887				
2	Armor Elevator	86528	86528				
3	A&L Security	(1018488)	238056	279006	241902	259524	PAID
4							
5	Broadway Brake Ser	24681	24681				
6	Blue Cross/Blue Shield	5642	5642				
7	Brundales	9281	3016			PAID	6265
8	Bord, Schenck	544573		31404			
9	Bord, Water Energy	63073			PAID	63073	PAID
10	Brescia Sign	5200					5200
11	Burdock Press	92664	44200			PAID	19968
12	Business Services	5864	5864				
13							
14	Central New York	7363					PAID
15	Charlie L's	PAID 30400	11152			9248	7363
16	Cain Brothers	70085					PAID
17	Christen, J.P.	10500					10500
18	Continental Alum.	100000					100000
19	Courtesy Telephone	PAID 5000	2500	3500			
20							
21	D - Misc	41086		PAID	41086		
22	Dal-Pas, Alfred	124851	52673	PAID	72128		
23							
24	Federal Express	16600	6300	PAID	10300		
25	Fort Schuyler	PAID 7079	1880	PAID	982	PAID	
26							
27	Giant Workshop	2000				2000	
28	General Elevator	100000					PAID
29	Gordon Heating	276247	264535			PAID	11712
30	Guerriero, Frank	PAID 21840	7280	PAID	7280		7280
31	Guerriero, Frank	PAID 13738	4576	PAID	4576		4576
32							
33	Hummel's Office	212761	64293	PAID	117503	PAID	30965
34							
35	JBM	PAID 322946	4680	PAID	32184	PAID	16082
36							
37	Jiffy Hardware	3193	553			PAID	3640
38	JPF Electronics	8044	3416	PAID	1352	PAID	3276
39							
40	L - Misc.	14830	14830				

533220



		1	2	3	4	5	6
		total	30 days	60 days	90 days	over 90 days	credit
1	See Electrical Co	3588	3588				
2	Lakewood Const	4447455				4447455	
3	Liberty Mutual	383000	383000				
4							
5	McQuade & Branigan	31097				Paid 31097	
6	Musc M	25000			25000 PAID 31097		
7	Marshall, RD	18334	7467		6447 PAID 4420		
8	Mather, Dull, Evans	9107	9107			PAID	
9	Mers, Safe, & Lock	12897	2704		7973 PAID 3221		
10	Midstate Heavy	13300	950		PAID 4750 PAID 7600		
11	Midstate Steel	28600			28600 PAID		
12	Miller Supply	10716	10716				
13	Miller Welding	1953	645		645	663	
14	Mokay, Albert	307700			PAID		307700
15	Mohawk Valley	108160	161440		16640 PAID 41600		33280
16	Moore, L A	18720	4680		4680 PAID 4680		4680
17					PAID PAID PAID		
18	Nagara Mohawk	131115324	4401654	4697076	1811888	2303757	PAID
19	NY Telephone	164388	PAID 164388				
20							
21	Oreida County Rider	529			529		
22							
23	Peters Glass	38010	9295		18715		
24	Pitney Bowes	6188			6188		
25							
26	Roberts Hardware	2620			PAID 7670		
27	Rock's Tire	35327	33713				PAID 1664
28							
29	Syracuse Newspapers	24751	20751		PAID		
30	Synth -Despard	35297	27656		7641		
31	Sofco, Inc.	44053	44052			PAID	
32	Safeguard	60051	9161		PAID 27311 7215	PAID 16364	
33							
34	U-Musc	12972	8992		4000		
35	US Materials	8724	8724		PAID	PAID	
36	Utica Computer	38300	7600		7600	7600	9500
37	Utica Valley Electric	554550	244784	139622	49206	130928	
38	Utica Microfilm	16053				16053	
39	Utica Plumbing	11473	929			PAID 10544	
40							

	1	2	3	4	5	6
	Total	30 days	60 days	90 days	90 days	Credit
1	Vesca Dist.	30619	12773		17846	
2						
3	Board of Water	803085	253913	132033		427139
4						
5	Wausau Ins Co.	1200000	1200000			
6	Western Temp Serv	27300				PA10 27370
7	West Side Lefri	30658	30658			
8						
9	Zammella, Ted	578200	578200	PA10 PA10 578200		
10						
11						
12						
13						
14						
15		25232762	8398282	5703525	23866666	8744289
16						
17						
18						
19						
20	CONTROL					
21	Balance 1/31/82	18686662				
22	PURCHASE JOURNAL	10998851				
23	CASH DISBURSEMENTS	4452751				
24		25232762				
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

Accounts Payable Aging

Marketing
February, 1982

	1	2	3	4	5	6
	Total	30 days	60 days	90 days	over 90 days	Credit
1	Brodock Press	242840	14456		228384	
2	C-Misc.	196653		196653		
3	Madison North	4539787	301036	1580546	1726584	1261.81 * 40,000.00 805440 PAID
4	Observer-Dispatch	348916	137522		205394	
5	Observer-Dispatch	297379			297379	+ to be paid by Charlie G's
6	Western Temp.	73164			73164	PAID
7						
8						
9						
10						
11						
12						
13						
14		5692738	453014	1727198	2530905	931621
15						
16						
17						
18						
19						
20						
21	CONTROL					
22						
23	Balance 1/31/82	6290852				
24	Purchase Journal	703874				
25	Cash Disbursements	1301988				
26		5692738				
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

part-time employees not eligible;

Employee Fringe Benefit

Survey and Recommendations

From: Daniel J. Robertello

Review:

New employees - review after 90 days

All employees must be reviewed every 6 months
but may only be subject to a salary adjustment
annually.

This report contains my recommendations based on information obtained from seven other businesses in the Central New York area with regards to employee benefits. Its intent is to help us develop a formal written set of company benefits which will make us more competitive when seeking qualified employees in Utica's labor market.

Most employees consider their benefits just as important as their weekly salary. Therefore, in an effort to increase productivity and dedication to Gaetano Associates, while in our employment, we must become more aware of the benefits their equals receive with other employers.

My recommendations are as follows:

A) Vacations

<u>Anniversary date</u>	<u>1 year</u>	<u>-----</u>	<u>1 week</u>	
2 years	-	<u>5 years</u>	<u>-----</u>	<u>2 weeks</u>
6 years	-	<u>10 years</u>	<u>-----</u>	<u>3 weeks</u>
11 years	-	<u>More</u>	<u>-----</u>	<u>3 weeks</u>

B) Sick Days

An employee will become eligible for ~~five~~ paid sick days after completing ~~six months~~ ³ one year of employment.

However, sick days may not be carried from one year to the next or used as vacation or personal time.

Any employee sick more than ~~three~~ consecutive days must present proof of their illness.

Vacation subject to supervisor's approval

After 6 months anniversary

C) Holidays (1)

An employee will be eligible for paid holidays after 90 days of employment. Holidays include:

1. Christmas Day
2. New Years Day
3. Memorial Day
4. Fourth of July
5. Labor Day
6. Thanksgiving Day

~~7. *Two* floating-may be used as personal days~~

D) Death Benefit

After one year
An employee will receive up to three days off with pay if there is a death in the immediate family:

Father, Mother, Brother, Sister, Grandparents,
Father-In-Law, Mother-In-Law, Brother-In-Law,
and Sister-In-Law.

E) Jury Duty

After one year
Company will pay the employee the difference between jury duty income and gross weekly income for a maximum of ten working days.

F) Military Duty

After one year
Company will pay the employee the difference between military income and gross weekly income for a maximum of ten working days.

(1) IF AN EMPLOYEE'S WORK SCHEDULE DOES NOT PERMIT HIS(HER) ABSENCE DURING A SCHEDULED HOLIDAY, THE EMPLOYEE SHALL RECEIVE A COMPENSATED SUBSTITUTE DAY OFF

G) Insurance

All full time employees will be eligible for a company paid medical insurance after 90 days of employment.

The above recommendations were based on our review and discussions with several area businesses and their employees, and they were found to be the average or median benefits offered. However, we have not completed a review of the benefits offered within the Gaetano concerns at this time. This phase will take approximately two weeks to complete. Upon completion a detailed analysis at that time will be presented for your review.

It must also be noted that item A through F will not result in any additional out of the pocket expense to any of the subsidiaries, except for loss of employee work due to time off.

We are at this time in the process of securing bids from insurance carriers to obtain the best possible insurance coverage for the lowest price. This phase of the report will take approximately eight to ten weeks and will be based on quotes from:

Alexander and Alexander, Aetna, Blue Cross and
Blue Shield, C. N. A., Utica Mutual, Metropolitan,
Prudential, The Guardian, and Nationwide Insurance.

CharlesTown

FACTORY OUTLETS CENTER

A GAETANO ASSOCIATES DEVELOPMENT • 311 TURNER STREET, UTICA, NEW YORK 13501 • 315-724-8175

July 20, 1982

Ms. Susan White
Commercial Loan Coordinator
Rochester Savings Bank
40 Franklin Street
Rochester, New York 14604

Dear Ms. White:

Persuant to your conversation with Mr. Charles A. Gaetano on Monday, July 19, 1982, I have enclosed for your review a copy of our proposal for the refinancing of the Charlestown Mall.

I would sincerely appreciate you giving this proposal your attention as soon as possible.

Please do not hesitate to contact me in Utica, New York if you should have any questions.

I look forward to hearing from you and the Rochester Savings Bank in the near future.

Sincerely,

Larry A. Boyer
Controller
Gaetano Associates

LAB:fmh
Encs.

GROSS LEASED AREA AS OF:

	<u>SQ. FT.</u>
12/31/79	122,376
12/31/80	180,592
12/31/81	209,528
04/30/82	207,656

CHARLESTOWN DEVELOPMENT
RENT ROLL - PHASE I
MAY 1, 1982

TENANT	LEASE EXPIRATION DATE	SQ. FT.	MONTHLY RENT	ANNUAL RENT
Adidas	03/27/86	4,068	\$ 2,627.25	\$ 31,527.00
Alling & Cory	11/30/82	1,728	1,872.00	22,464.00
American Thread	11/03/85	2,160	1,523.00	18,276.00
G.H. Bass & Co.	04/30/86	3,888	2,600.00	31,200.00
Bates	04/01/86	3,984	2,573.00	30,876.00
Blue Bell	03/28/84	6,210	2,740.70	32,888.40
Brand Name Fashions	04/30/84	5,352	2,650.04	31,800.48
Camel	02/28/84	2,592	1,890.00	22,680.00
Campus	08/31/84	2,596	1,984.75	23,817.00
Cape Craftsmen	03/31/85	4,320	2,793.03	33,516.36
Carters	02/28/83	11,000	3,575.46	42,905.22
Children's Outlet	02/28/86	3,024	1,827.00	21,924.00
Clubhouse Tavern	01/24/84	2,484	1,586.30	19,035.60
Country Mill	04/25/84	5,434	2,264.16	27,169.92
Edward Joy Company	04/31/83	2,592	2,322.00	27,864.00
Gentlemen's Wear-House	09/12/84	7,848	4,329.20	51,950.40
Gold Mine	03/29/86	1,000	731.67	8,780.04
Jack Winter	02/28/85	5,600	3,142.40	37,708.80
J.A. Parker	12/31/82	864	738.00	8,856.00
Jewelry Factory	04/30/84	1,728	1,116.00	13,392.00
Kidstop	11/01/86	2,592	1,782.40	21,388.80
Kidsport USA	08/22/84	10,025	4,594.80	55,137.60
Leather Loft	07/31/84	2,592	1,231.68	14,780.16
Leslie Fay	08/31/86	11,340	5,396.25	64,755.00
Mele	10/31/84	1,000	450.00	5,400.00
Miniatures & Masterpieces	05/31/82	844	439.59	5,275.08
Misty Harbor (The Factory Outlet)	09/30/83	1,728	1,296.00	15,552.00
Morning Line	06/01/82	432	375.00	4,500.00
Munsingwear	07/31/84	4,320	1,710.00	20,520.00
Neat Treat	12/31/85	1,000	1,527.00	18,324.00
OTB	10/31/83	5,000	2,125.00	25,500.00
Palm Beach	12/31/84	11,000	5,910.28	70,923.36
Prestige Fragrances & Cosmetics	11/30/82	878	1,518.16	18,218.00
Redwood Forest	03/31/84	1,296	702.00	8,424.00
Revere	04/30/86	3,648	2,660.00	31,920.00
Rolane	08/10/85	20,000	9,916.84	119,002.08
Ship 'n Shore	06/30/84	4,752	1,980.00	23,760.00
Shoe Rack	10/01/86	9,072	6,993.00	83,916.00
Shoe Factory (Quoddy)	08/31/84	3,325	1,385.42	16,625.04
Sure Fit	10/24/84	4,320	2,348.14	28,177.68
Utica Cutlery	02/28/84	1,298	783.00	9,396.00
Utica Duxbak	03/28/84	1,728	1,008.00	12,096.00
Van Heusen	03/28/84	2,898	845.25	10,143.00
Warnaco	08/31/85	10,314	5,507.88	66,094.56
Winona	04/25/84	3,888	1,539.63	18,475.56
Wolverine	05/31/84	3,500	1,933.57	23,202.84
World Bazaar	11/07/85	4,392	3,323.66	39,883.92

RENT ROLL - PHASE I
Page 2

TENANT	LEASE EXPIRATION DATE	SQ. FT.	MONTHLY RENT	ANNUAL RENT
Cafe Square:				
Donut Factory	02/28/85			
Fun Food	08/01/82			
Noon Whistle	08/12/84			
Pizza Factory	11/18/84			
Cafe Sq. Total:		<u>2,566</u>	<u>\$ 5,927.15</u>	<u>\$ 71,125.80</u>
Subtotal:		208,220	\$120,095.66	\$1,441,147.70
OTHER INCOME:				
Environmental Tech.	Monthly			
Linen Systems	Monthly			
Utica Radiator	Monthly			
Electromark	Monthly			
Total Other Income:			<u>\$ 7,835.00</u>	<u>\$ 94,020.00</u>
GRAND TOTAL:				
			<u>\$127,930.66</u>	<u>\$1,535,167.70</u>

CharlesTown

FACTORY OUTLETS CENTER

A GAETANO ASSOCIATES DEVELOPMENT • 311 TURNER STREET, UTICA, NEW YORK 13501 • 315-724-8175

Gentlemen:

Gaetano Associates is currently seeking to re-finance the Charlestown Mall in Utica, New York. This unique facility contains 39 outlet stores as well as various other specialty shops and restaurants under one roof surrounding an outdoor courtyard with floral gardens. Since the inception of Charlestown in 1979 Gaetano Associates has continually improved and developed the property including the new wharf boardwalk complete with a gazebo, cafe garden restaurant, and lighted sound stage. Future plans call for the possible development of a motel and mini-convention facilities.

In order to accomplish these objectives the existing short-term debt structure must be modified to allow for future expansion. We are asking you to participate in this successful and proven development project by committing to a first mortgage loan in the amount of \$2,500,000 to be amortized over a 15 year period.

Attached you will find a complete financial analysis of the Charlestown Mall and other relevant material. If you should have any questions with regard to this information, we would be happy to answer them at your convenience.

We wish to express our appreciation for the opportunity to present this proposal for your consideration and look forward to your participation with us in the future of Charlestown.

Sincerely,

By:
Brian A. Gaetano
General Partner
Gaetano Associates

BAG:fmh
Encs.

CharlesTown

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Press Release

Contact: Peter C. Falzarine
Public Relations Director

CHARLESTOWN, UTICA'S ANSWER TO HIGH PRICES

A whole new concept for bargain shopping has been developed in Utica, New York, called CharlesTown. In the past, factory outlets were usually located in obscure places, where the atmosphere was drab and the surrounding questionable.

Today, there is a rising trend of a new type of factory outlet. They are no longer hidden in some back room of a factory, rather, due to present economic conditions, factory outlets are rapidly becoming a respectable and prestigious business.

In modern factory outlets, the buyer can shop easily and enjoy the pleasant surroundings with attractively displayed merchandise that offers reasonable prices, a wide selection and good quality. Factory outlets are now comparable in convenience to malls and shopping centers.

CharlesTown is located off Route 5S at 311 Turner Street just east a few miles from Downtown Utica. It is at present, the world's largest factory outlet, because it contains over 35 outlets offering savings of 25%-60% off, all under one roof.

It is a practical and unique example of the extensive revitalization which is now in progress throughout the entire city. It is situated on a 33 acre site which reminds one of a European market-place, where one can not only shop for bargains but enjoy a good meal, rendezvous with friends over a few drinks or even indulge in a wager on a horse and watch the race results on closed-circuit television at Off Track Betting...and all on the premises.

This complex was at one time a brick mill factory called Univac, and dates back to the early 1900's when it was a fire arms manufacturer.

CharlesTown offers shoppers a large variety of stores including such merchandise as clothing for the entire family, gifts, crafts, jewelry, housewares and much more ~~and all at great values too.~~

Furthermore, these outlets are well-known national brands... not only those that a manufacturer's mother would recognize.

The unique aspects of CharlesTown extend even further in that it has such an uncommon atmosphere that shoppers may find themselves discovering other attractions and diversions. Besides the ~~outlet~~ ³⁹ outlet stores, that are set against a boardwalk setting surrounding an outdoor courtyard, there are also colorful awnings, floral gardens, wide cobbled walkways and park benches, in addition to a pond complete with ducks which is a popular attraction for young and old alike.

CharlesTown is open year round and their hours are Monday through Thursday 10:00 a.m. - 5:00 p.m., Friday 10:00 a.m. - 9:00 p.m. Saturdays 10:00 a.m. - 6:00 p.m. and Sundays 12 noon - 5:00 p.m. This year's Christmas Hours began in November on the 27th and will run till December 23. The hours are Monday through Friday 10-9, Saturday 10-6 and Sunday 12-5.

CORNEL ASSOCIATES
311 Turner Street
Utica, New York 13501

Gentlemen:

Cornel Associates recently purchased the historic Power Building at 258 Genesee Street in the heart of Downtown Utica. This building contains over 100,000 square feet, is six stories high, and adjacent to three major banks, the famous Fort Schuyler Club, and the landmark Stanley Performing Arts Center.

We anticipate investing approximately \$2,300,000 in this project. The renovation work will be extensive and will include sandblasting the limestone, installing new modern energy efficient windows, a new HVAC system and many other improvements. Cornel Associates' general partners have been active in the real estate development and management field as officers of Gaetano Construction Corporation and Gaetano Realty Corporation in Utica, New York. Gaetano Construction Corporation has been in business some twenty-five years having designed and built multi-million dollar projects throughout New York State, including the Teamster's complex on Rugter Street and the Mohawk Data Science Center at the County Airport, two of the most beautiful and efficient complexes in our area. Gaetano Realty Corporation has been responsible for the transformation of the old St. Luke's Hospital into an apartment complex with the ground floor used for commercial space. The company also renovated the historic Paul Building which is presently at maximum occupancy and houses tenants such as Chemical Bank, Equitable Life Insurance, and the Chamber of Commerce offices.

We feel that the need is great for additional luxury office space in Downtown Utica and several companies who we have approached as potential tenants share our enthusiasm.

In order for us to successfully complete this renovation project we are asking you to participate in the financing of this project in a manner similar to the following:

LOAN REQUEST:

Mortgage loan in the amount of \$1,700,000 with interest at the rate of 16.5%. Amortization of twenty years. Security of the lender to be expressly limited to its security in the project which shall include a first mortgage on the

EXISTING MORTGAGES - ONB	\$ 490,834
Mortgage Total	149,246
TOTAL TAKE-OUT	<u>\$ 640,080</u>

37,593.

35,722

CHARLES TOWN - PHASE I (4 floors)



GROSS LEASABLE AREA - (Interior walls) - \$ 324,465

LESS: RECEIVING AREA	10,500
OFFICE AREA	5,705
NON-LEASABLE CORRIDORS	<u>30,000</u>
SUB-TOTAL	<u>46,205</u>

NET LEASABLE AREA 278,260

EXPANDED

PHASE I

SQ FOOTAGE

(INTERIOR WALL)

10,350 · +

10,350 · +

10,350 · +

9,900 · +

8,550 · +

5,705 · +

13,500 · +

18,900 · +

008

FLOOR 1

87,605 · +

5,705 · +

22,050 · +

20,700 · +

13,500 · +

18,900 · +

005

FLOOR 2 ✓

80,855 · +

5,705 · +

22,050 · +

20,700 · +

13,500 · +

18,900 · +

004

FLOOR 3

80,855 · +

22,050 · +

20,700 · +

13,500 · +

18,900 · +

004

FLOOR 4

75,150 · +

22,050 · +

20,700 · +

13,500 · +

18,900 · +

000

FLOOR 5

324,465 · G

22,050 · +

20,700 · +

13,500 · +

18,900 · +

**GAETANO ASSOCIATES (CHARLESTOWN)
OPERATING BUDGET
FISCAL 1982**

Gross Rental Income:

Base Rent	\$1,216,167
Billed Utilities	193,728
Billed Taxes	2,320
Billed CAM Costs	123,672
Percentage Rent	105,150
Other Income	<u>22,800</u>
 Total Revenue:	 <u>\$1,663,837</u>

Operating Expenses:

Mall Operating Costs Direct:	
Utilities	\$434,500
Real Estate Taxes	78,000
Common Area & Building Maintenance	301,752
General Administrative Expenses	<u>228,670</u>
 Total Operating Expenses:	 <u>\$1,042,922</u>

Net Available for Debt Service: \$ 620,915

CHARLES TOWER REFINANCING (PHASE I)

- ① FINANCIAL STATEMENTS
- ② 1982 OPERATING BUDGET (CONDENSED)
- ③ REQUEST FOR LOAN - PROBABLY \$2.2 MILLION
- ④ RENT RATES - w/ LEASE EXPIRATION.
- ⑤ SALES VOLUMES (RETAIL) - LAST 3 YEARS.